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STATE OF HAWAII

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

HIDEO MURAKAMI, COMPTROLLER
STATE OF HAWAII

STATE OF HAWAII
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

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PART I: INTRODUCTORY SECTION

STATE OF HAWAII

Principal Officials
for Finance-Related Functions

Governor	George R. Ariyoshi
Director of Finance	Jensen S. L. Hee
Director of Taxation	Herbert M. Dias
Director of Planning and Economic Development	Kent M. Keith
Comptroller	Hideo Murakami

Notes:

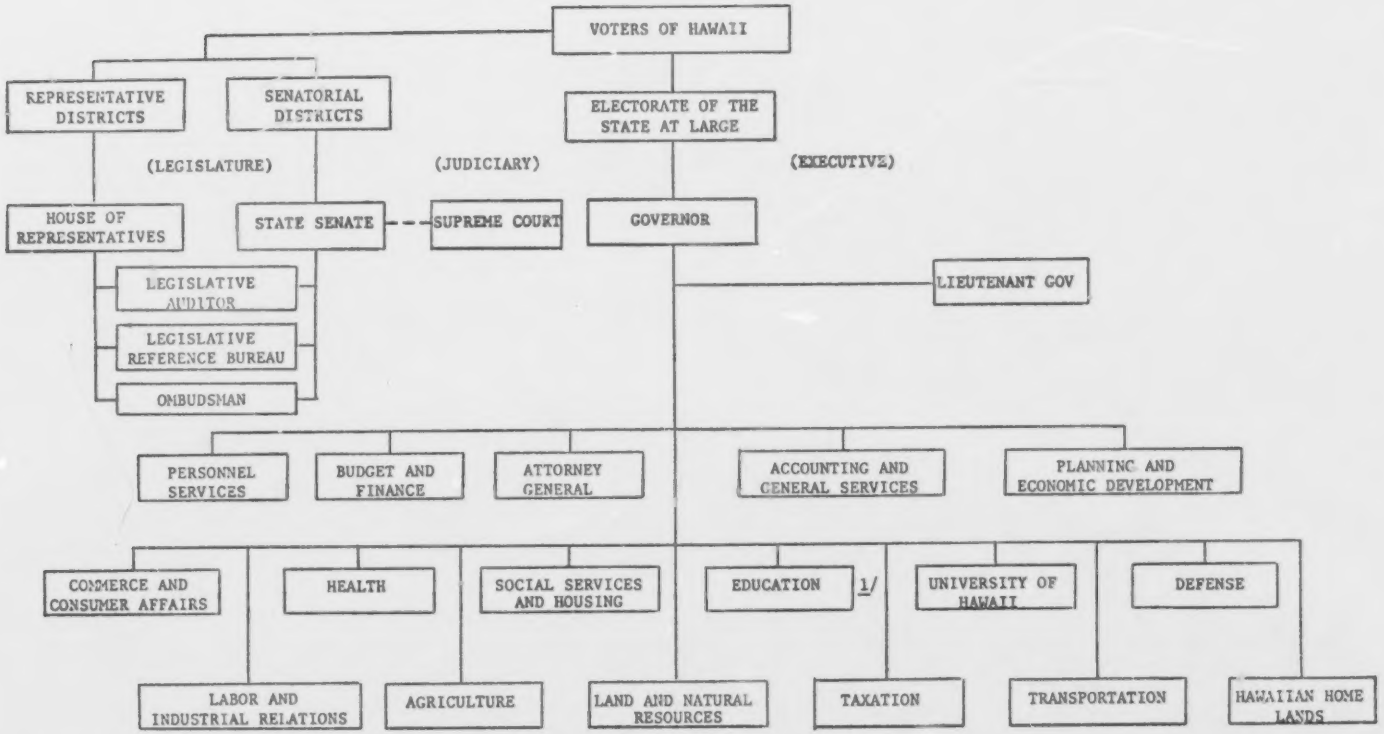
The Director of Finance is also department head of the Department of Budget and Finance.

The Comptroller is also department head of the Department of Accounting and General Services.

An organization chart including these and other departments and agencies of the State of Hawaii government is on the following page.

STATE OF HAWAII

ORGANIZATIONAL CHART



NOTE: DOTTED LINE BETWEEN THE STATE SENATE AND THE SUPREME COURT REPRESENTS THE SENATE'S CONFIRMATION POWER OF THE GOVERNOR'S APPOINTMENT OF JUSTICES OF THE SUPREME COURT.

1/ BOARD OF EDUCATION ELECTED.

GEORGE R. ARIYOSHI
GOVERNOR

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P. O. BOX 119
HONOLULU, HAWAII 96810

HIDEO MURAKAMI
COMPTROLLER

MIKE N. TOKUNAGA
DEPUTY COMPTROLLER

December 24, 1985

To the Honorable Governor of the State of Hawaii
To the Honorable Members of the Thirteenth State
Legislature of the State of Hawaii

In accordance with the provisions of Section 40-5 of the Hawaii Revised Statutes, it is my privilege to present to you the Comprehensive Annual Financial Report of the State of Hawaii for the fiscal year ended June 30, 1985. This report has been prepared by the State's Department of Accounting and General Services. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the State. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial affairs have been included.

Accounting System and Budgetary Control

The State's accounting records for the general, special revenue, debt service, capital projects, expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under such basis, revenues are recorded as received in cash except for (a) revenues susceptible to accrual, i.e., measurable and available and (b) revenues received prior to the period of benefit; and expenditures are recorded on the accrual basis except that (a) expenditures are not divided between years by the recording of prepaid expenses, (b) loans made to foster economic growth and development and for homes for native Hawaiians are charged to expenditures when made and repayments thereon are recorded as revenues when received and (c) interest on long-term debt is recorded when paid. In addition, certain self-assessed taxes, primarily public service company taxes, are recognized as receivables when tax returns are filed. The State's Enterprise, Hawaii Housing Authority, State Hospitals and University Funds are accounted for using the accrual basis of accounting.

In developing and modifying the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

By statutory provision, the State prepares a biennium budget for State programs. Budgeted expenditures are derived primarily from the General Appropriations Act of 1983, as amended, and from other authorizations contained in the Hawaii Constitution, the Hawaii Revised Statutes and other specific appropriation acts in various Session Laws of Hawaii. Revenue estimates are provided to the Legislature at the time of budget consideration and are revised and updated periodically during the year.

An allotment system and encumbrance accounting are utilized by the State for budgetary control purposes. Encumbrances, obligations in the form of purchase orders, contracts, or salary commitments, are recorded at the time purchase orders or contracts are awarded and executed. Open encumbrances are reported as reservations of fund balances at June 30, 1985. To the extent not expended or encumbered, General Fund appropriations and Special Revenue Funds appropriations subject to budgetary control generally lapse at the end of the fiscal year for which the appropriations were made. The Legislature specifies the lapse date and any other particular conditions relating to terminating the authorization for other appropriations.

The Reporting Entity and Its Services

This report includes the various funds and account groups comprising the State of Hawaii, including all entities that are controlled by or dependent on the State. The Employees' Retirement System of the State of Hawaii, which is administered on behalf of public employees for both the State and County governments, is not included in the State's financial statements since its assets are not available to the State.

With Hawaii's highly centralized State government, the State provides a full range of services as mandated by statute. These services include, but are not limited to, education (lower and higher), welfare, transportation (highways, airports and harbors), health, hospitals, public safety, housing, culture and recreation, economic development and conservation of natural resources.

General Governmental Functions

Revenues for general governmental functions (excluding capital projects) totaled $1,879.6 million in fiscal 1985, representing an increase of 6.1% over fiscal 1984. The revenues from various major revenue sources and the increase and decrease over last fiscal year are presented in the following tabulation (expressed in millions):

Source	Fiscal 1985	Percent of Total	Increase (Decrease) over Fiscal 1984 Amount	Percent
Taxes	$1,349.8	71.8%	$114.4	9.3%
Intergovernmental Revenues	286.8	15.3	(24.3)	(7.8)
Charges for Current Services	94.1	5.0	4.3	4.8
Interest and Investment Income	63.1	3.3	11.3	21.8
Other Revenues	85.8	4.6	2.2	2.6
Total	$1,879.6	100.0%	$107.9	6.1%

The increase of $114.4 million in tax revenues from $1,235.4 million in fiscal 1984 to $1,349.8 million in fiscal 1985 was primarily comprised of general excise taxes (which increased $44.4 million), income taxes (which increased $34.8 million) and liquor taxes (which increased $20.8 million). The decrease of $24.3 million in intergovernmental revenues reflects the decrease from $311.1 million in fiscal 1984 to $286.8 million in fiscal 1985. The revenues for charges for current services increased $4.3 million, which reflects the increase from $89.8 million in fiscal 1984 to $94.1 million in fiscal 1985. The revenues for interest and investment increased from $51.8 million in fiscal 1984 to $63.1 million in fiscal 1985, an increase of $11.3 million in fiscal 1985. Other revenues increased from $83.6 million in fiscal 1984 to $85.8 million in fiscal 1985, an increase of $2.2 million in fiscal 1985.

For further information on long-range trends in tax and nontax revenues of general governmental functions, Part III contains tabulations covering the last ten fiscal years (Schedule M-1).

Expenditures for general governmental functions totaled $1,914.3 million in fiscal 1985, representing an increase of 12.5% over fiscal 1984. Changes in expenditures by function and the increase and decrease over last fiscal year are presented in the following tabulation (expressed in millions):

Function	Fiscal 1985	Percent of Total	Increase (Decrease) over Fiscal 1984	
			Amount	Percent
Debt Service	$ 387.2	20.2%	$176.7	83.9%
Social Security and Pension	175.0	9.1	24.1	16.0
General Government	133.2	7.0	17.0	14.6
Education	458.9	24.0	10.4	2.3
Public Safety	87.7	4.6	9.9	12.7
Health	99.0	5.2	5.8	6.2
Urban Redevelopment and Housing	14.5	.7	5.3	57.6
Economic Development and Assistance	34.8	1.8	3.0	9.4
Conservation of Natural Resources	29.2	1.5	2.7	10.2
Total Increases	1,419.5	74.1	254.9	21.9
Highways	102.0	5.3	(33.7)	(24.8)
Welfare	321.1	16.8	(4.7)	(1.4)
Culture - Recreation	33.1	1.7	(.8)	(2.4)
All Others	20.4	1.1	(3.1)	(13.2)
Total Decreases	476.6	24.9	(42.3)	(8.2)
Intergovernmental Expenditures	18.2	1.0	-	-
Total	$1,914.3	100.0%	$212.6	12.5%

For further information on long-range trends in the general governmental expenditures, Part III contains a tabulation covering the last ten fiscal years (Schedule M-2).

The operations of the State's General Fund for fiscal 1985 resulted in an unreserved fund balance of $129.5 million at June 30, 1985, compared with $105.1 million at June 30, 1984. The details of this change are included in the "Combined Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances" in the General Fund financial statements of Part II.

Debt Administration

The amount of general obligation bonded debt per capita is a useful indicator of the State's debt position to its citizens. The amount at June 30, 1985 was $1,523; a schedule of such information for the last ten fiscal years is presented in Part III of this report. The following table presents certain data regarding the general obligation bonds issued in fiscal 1985:

Date of Issue	Series	Interest Rate (%)	Maturity Date	Amount
October 1, 1984	AZ	9.25-10.00	October 1, 1987/2004	$ 75,000,000
March 1, 1985	BA	8.40-9.375	March 1, 1986/2002	157,435,000
June 1, 1985	BB	8.00	June 1, 1988/2005	75,000,000

The general obligation bonds issued in fiscal 1985 were within the constitutional limitation established by the Constitutional Convention of 1978. The Director of Finance's certification relative to the limitation is reproduced in Part III of this report. Series BA, General Obligation Refunding Bonds of 1985, refunded Series AS dated November 1, 1981 for $70.8 million and Series AT dated June 1, 1982 for $75 million, respectively. The objective of the State in effecting the refunding of the bonds was to reduce debt service payable by the State on its general obligation bonds.

The State's general obligation bonds have been rated Aa by Moody's Investors Service and AA by Standard and Poor's for a number of years.

The Hawaii Housing Authority issued $100 million of its Single Family Mortgage Purchase Revenue Bonds, 1984 Series A, in September 1984, and the Airports System issued $65 million of its Airports System Revenue Bonds, Series of 1984, in December 1984. Information on the changes in outstanding bonds and matured bonds, for general obligation bonds and revenue bonds, for the last three fiscal years are presented in the schedules contained in Part III of this report.

Cash Management

During fiscal 1985, the State earned $53.1 million for the General Fund by investing its temporary cash surpluses, an increase of $9.8 million earned in the previous fiscal year. The fiscal 1985 earnings represent an average investment yield of 9.09%, up from the 8.71% of the previous year.

Capital Projects Funds

Proceeds of general obligation bonds issued are primarily accounted for in the Capital Projects Funds, amounting to $150.5 million in fiscal 1985.

In accordance with the lapsing provisions of the various appropriations acts and laws relating to lapsing, capital improvements projects appropriations lapsed during fiscal 1985 in the amount of $1.3 million. Authorized but unissued general obligation bonds totaled $215.1 million at June 30, 1985.

Enterprise and Hawaii Housing Authority Funds

The retained earnings of the Enterprise Funds, comprised of the State's Airports and Harbors operations, increased from $198 million in fiscal 1984 to $233.2 million in fiscal 1985. Combined operating revenues increased from $110.9 million in fiscal 1984 to $118.7 million in fiscal 1985, and combined operating and depreciation expenses also increased from $73.3 million to $78.8 million within the respective periods. Outstanding bonds, net of the current portion, at June 30, 1985 totaled $509.7 million, an increase from $466.5 million at June 30, 1984.

The deficit of the Hawaii Housing Authority decreased from the restated amount of $18.9 million in fiscal 1984 to $15.5 million in fiscal 1985. In fiscal 1985, operating revenues totaled $68.4 million and operating expenses including depreciation totaled $84.8 million. Contributions by the U. S. Department of Housing and Urban Development and subsidies from other funds totaled $14.7 million in fiscal 1985, and outstanding revenue bonds totaled $408 million at June 30, 1985.

State Hospitals and University Funds

The combined fund balances of the thirteen State Hospitals increased from $71.1 million in fiscal 1984 to $78.5 million in fiscal 1985. Combined operating revenues increased from $66.9 million in fiscal 1984 to $72.5 million in fiscal 1985, and combined operating expenses including depreciation also increased from $80.1 million to $83.4 million within the respective periods. Combined non-operating revenues over expenses, consisting primarily of subsidies from other funds increased from $10.2 million in fiscal 1984 to $11.0 million in fiscal 1985.

The combined fund balances of the University Funds increased from $487.9 million in fiscal 1984 to $549.7 million in fiscal 1985. In fiscal 1985, combined revenues and other additions totaled $209.1 million, and combined expenses and other deductions totaled $315.8 million. These represent increases from fiscal 1984 of $185.3 million and $300.6 million, respectively. Combined subsidies from other funds totaled $168.5 million in fiscal 1985, an increase from $158.5 million in fiscal 1984. Outstanding bonds totaled $34.4 million at June 30, 1985 and $35 million at June 30, 1984.

General Fixed Assets

The General Fixed Assets of the State are those used in the performance of general governmental functions. They exclude the fixed assets of the Enterprise, Hawaii Housing Authority, State Hospitals and University Funds. As of June 30, 1985, the general fixed assets amounted to $1,279,209,545, based on information from the State's inventory records. Depreciation of general fixed assets is not recognized in the State's records.

Employees Union Contracts

The State Constitution grants public employees in Hawaii the right to organize for the purpose of collective bargaining. Each of the twelve recognized bargaining units, of which State employees are members, designates an employee organization as its exclusive representative in negotiations with the employer. All bargaining units have contractural agreements effective through June 30, 1987.

Independent Audit

Although State statutes do not require an annual audit of all fund types and account groups of the State, the State engaged a firm of independent certified public accountants to examine the State's combined financial statements for the fiscal year ended June 30, 1985. The Report of the Independent Certified Public Accountants has been included in Part II of this report.

Future Prospects

As of September 1985, the State's Council on Revenues has estimated General Fund tax revenues from all sources for fiscal 1986 to increase 4.8% from the actual General Fund tax revenues for fiscal 1985. Also, the General Fund Financial Plan prepared by the Department of Budget and Finance projected for fiscal 1986 totaled resources of $1,534.7 million, totaled obligations of $1,609.1 million and an unreserved General Fund balance at June 30, 1986 of $55.1 million.

More detailed information immediately follows this transmittal letter:

Part II - The financial statements and notes relating to the State's various funds and account groups.

Part III - Statistical and other schedules.

It is my sincere hope that this report will serve as a helpful source of information for anyone having an interest in the financial operations of our State.

Respectfully submitted,

HIDEO MURAKAMI
Comptroller, State of Hawaii

PART II: FINANCIAL SECTION

Coopers & Lybrand

certified public accountants

Comptroller
State of Hawaii
Honolulu, Hawaii

We have examined the combined financial statements of the State of Hawaii as of and for the year ended June 30, 1985 as listed on the table of contents (page 2). Except as stated hereunder, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We did not examine the financial statements of the Department of Transportation - Airports and Harbors Divisions which comprise the combined financial statements of the Enterprise Funds; the Hawaii Housing Authority Funds; certain hospitals whose financial statements reflect total assets, and operating and nonoperating revenues constituting 79.5% and 76.8%, respectively, of the combined total of the State Hospitals Funds; and the University Bond System whose statements reflect total assets, and revenues and other additions constituting 13.2% and 7.0%, respectively, of the combined total of the University Funds. These statements were examined and reported upon by other auditors.

Due to lack of centralized detailed historical fixed asset accounting records it was not practicable to extend our auditing procedures to enable us to express, and we do not express, an opinion on the balance sheet and related schedules of the general fixed assets account group. As more fully described in Note 3 to the combined financial statements certain land and buildings have been recorded in the balance sheet of the general fixed assets account group at valuation amounts. Generally accepted accounting principles provide for such assets to be recorded at cost or estimated cost. The effect of reflecting such land and buildings in accordance with generally accepted accounting principles has not been determined. In addition, the balance sheet for the general fixed assets account group does not reflect certain disclosures prescribed under generally accepted accounting principles with respect to construction in progress additions and deductions during 1985 as such information is not available.

In our opinion, based upon our examination and reports of other auditors, and except for the matter described in the third paragraph, the combined financial statements referred to above present fairly the financial position of the State of Hawaii at June 30, 1985 and the results of its operations and changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect for the change, with which we concur, in the accounting for depreciation in the Hawaii Housing Authority Funds as described in Note 4 to the combined financial statements.

Our examination was made for the purpose of forming an opinion on the combined financial statements described above, taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents (pages 2, 3 and 4) are presented for purposes of additional analysis and are not a required part of the combined financial statements of the State of Hawaii. Other than the schedules of general fixed assets and changes in general fixed assets (Schedules K-1 and K-2) the information contained therein has been subjected to the auditing procedures applied in the examination of the combined financial statements and in our opinion, based upon our examination and reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coopers & Lybrand

Honolulu, Hawaii
December 19, 1985

STATE OF HAWAII

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1985

ASSETS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
CASH AND SHORT-TERM CASH INVESTMENTS	$213,600,426	$125,130,240	$ 28,907,489	$179,506,000
RECEIVABLES (Note 6)				
Taxes	34,609,240	-	-	-
Accounts and Accrued Interest, Net	-	61,904	-	-
Notes (Note 13)	6,756,676	64,988,058	-	-
Claims - Federal Grants	-	-	-	-
HUD (U.S. Dept. of Housing and Urban Development) (Note 13)	-	-	-	-
Other	123,500	-	-	-
DUE FROM OTHER FUNDS	621,845	-	146,420	336,385
INVESTMENTS (Notes 7 and 13)	-	2,104,987	-	-
OTHER CURRENT ASSETS				
Inventory of Materials and Supplies	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Current Assets				
OTHER ASSETS				
Advances to Other Funds	10,754,877	-	-	-
Assets Held by Agents for State Deferred Compensation Plan	16,568,655	-	-	-
Dwelling Unit Inventory (Note 11)	-	-	-	-
Land Held for Future Development	-	-	-	-
Restricted Assets (Notes 8 and 13)	-	-	-	-
Property, Plant and Equipment (Notes 9, 11 and 13)	-	-	-	-
Unamortized Bond and Note Issue Costs	-	-	-	-
Loans for Issued General Obligation Bonds (Note 10)	-	-	255,551,174	-
Amount Available in Debt Service Funds	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-
Other	154,675	25,152	-	-
TOTAL ASSETS	$283,189,896	$192,310,344	$284,605,084	$179,842,385

The accompanying notes are an integral part of the combined financial statements.

Proprietary Fund Types				Fiduciary Fund Types	Account Groups	
Enterprise	Hawaii Housing Authority	State Hospitals	University	Trust And Agency	General Fixed Assets (Note 3) (Unaudited)	General Long-Term Debt
$ 98,670,541	$ 4,165,655	$ 9,735,198	$ 26,883,629	$307,122,683	$ -	$ -
223,001	-	-	-	-	-	-
13,428,681	10,495,293	25,378,992	1,381,407	-	-	-
-	253,690,851	-	-	-	-	-
135,571	-	-	-	-	-	-
-	7,165,109	-	-	-	-	-
950,000	2,417,144	47,915	-	-	-	-
192,785	-	-	10,616,132	-	-	-
1,217,110	49,803,200	-	250	2,337,131	-	-
193,141	281,807	1,972,010	4,918,610	-	-	-
126,622	3,207,294	478,899	549,287	-	-	-
115,137,452		37,613,014				
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,452,531	-	-	-	-	-
-	22,275,660	-	-	-	-	-
234,655,320	189,857,169	2,891,810	43,146,522	-	-	-
648,914,087	133,863,329	82,635,689	537,704,692	-	1,279,209,545	-
5,066,850	9,266,175	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	171,734,424
-	-	-	-	-	-	1,507,695,555
-	-	-	-	-	-	-
$1,003,773,709	$690,941,217	$123,140,513	$625,200,529	$309,459,814	$1,279,209,545	$1,679,429,979

STATE OF HAWAII

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
JUNE 30, 1985

LIABILITIES AND FUND EQUITY	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Vouchers and Contracts Payable	$ 21,076,142	$ 7,863,690	$ -	$ 15,285,132
Other Accrued Liabilities	-	-	-	-
Prepaid Airport Use Charge (Note 15)	-	-	-	-
General Obligation Bonds Payable, Current Portion (Note 12)	-	-	-	-
Due to Employees Under State Deferred Compensation Plan	16,568,655	-	-	-
Due to Other Funds	10,133,296	196,272	-	192,785
Advances from Other Funds	-	357,093	-	-
Advances from HUD and Others	-	-	-	-
Total Current Liabilities				
Payable from Restricted Assets:				
Contracts Payable, Accrued Interest and Other (Note 11)	-	-	-	-
Matured Revenue Bonds and Interest Coupons Payable	-	-	-	-
General Obligation Bonds Payable (Note 12)	-	-	-	-
Revenue Bonds (Note 13)	-	-	-	-
Due to Other Funds	-	-	-	-
Matured Bonds and Interest Payable	-	-	23,632,089	-
Notes and Loans Payable (Notes 11 and 14)	-	-	-	-
Deferred Revenue	-	-	-	-
Accrued Vacation Payable (Note 14)	-	-	-	-
Liabilities Collateralized by HUD Contributions (Note 13)	-	-	-	-
Revenue Bonds Payable (Note 13)	-	-	-	-
General Obligation Bonds Payable (Notes 12 and 14)	-	-	-	-
Other Liabilities	-	-	400	-
Total Liabilities	47,778,094	8,417,055	23,632,489	15,477,917
FUND EQUITY (Note 4)				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings - Reserved	-	-	-	-
Retained Earnings (Deficit) - Unreserved	-	-	-	-
Fund Balances:				
U.S. Government Grant Refundable	-	-	-	-
Reserved for Continuing Appropriations	53,706,027	43,714,129	30,149	440,494,676
Reserved for Receivables and Advances	52,244,294	65,049,963	-	-
Reserved for Investments	-	2,104,987	-	-
Reserved for Federal Aid Highway Projects Encumbrances	-	-	-	57,616,014
Reserved for Unemployment Compensation and Other	-	25,152	-	-
Reserved for Bond Redemption	-	-	171,704,275	-
Reserved for Bond Fund Loans to Proprietary Fund Types	-	-	89,238,170	-
Unreserved	129,461,480	72,999,055	-	(333,746,223)
Total Fund Equity	235,411,801	183,893,288	260,972,595	164,364,467
TOTAL LIABILITIES AND FUND EQUITY	$283,189,896	$192,310,344	$284,605,084	$ 179,842,385

Proprietary Fund Types				Fiduciary Fund Types	Account Groups	
Enterprise	Hawaii Housing Authority	State Hospitals	University	Trust And Agency	General Fixed Assets (Note 3) (Unaudited)	General Long-Term Debt
$ 6,408,336	$ 659,712	$ 4,401,493	$ 5,061,172	$ 3,319,141	$ -	$ -
7,539,748	30,175,470	29,797,368	13,966,493	142,910,135	-	-
4,806,886	-	-	-	-	-	-
3,840,798	-	-	-	-	-	-
-	-	-	-	-	-	-
3,800	-	-	1,077,829	-	-	-
-	-	10,397,784	-	-	-	-
-	3,642,642	-	-	-	-	-
22,599,568		44,596,645				
25,116,252	-	-	11,388,767	-	-	-
424,131	-	-	-	-	-	-
2,108,306	-	-	28,040,080	-	-	-
22,139,878	-	-	6,317,000	-	-	-
341,040	-	-	583,822	-	-	-
-	-	-	-	-	-	-
-	1,196,569	-	-	-	-	6,903,064
-	974,173	-	5,004,893	-	-	-
-	-	-	-	-	-	64,129,465
-	115,011,317	-	-	-	-	-
454,447,759	408,320,000	-	-	-	-	-
55,248,983	-	-	-	-	-	1,608,397,449
773,778	2,264,167	-	4,068,866	-	-	-
583,199,695	562,244,050	44,596,645	75,508,922	146,229,277	-	1,679,429,979
-	-	-	-	-	1,279,209,545	-
187,398,369	144,194,886	-	-	-	-	-
59,832,056	-	-	-	-	-	-
173,343,589	(15,497,719)	-	-	-	-	-
-	-	-	9,488,112	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,891,810	525,033,433	163,230,537	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	75,652,058	15,170,062	-	-	-
420,574,014	128,697,167	78,543,868	549,691,607	163,230,537	1,279,209,545	-
$1,003,773,709	$690,941,217	$123,140,513	$625,200,529	$309,459,814	$1,279,209,545	$1,679,429,979

STATE OF HAWAII EXHIBIT A-2

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES (DEFICIT) -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Governmental Fund Types				Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES					
Taxes	$1,295,396,085	$ 54,405,606	$ -	$ -	$ 66,701,454
Interest and Investment Income	54,009,318	8,610,821	478,495	-	15,156,557
Charges for Current Services	49,089,891	44,960,000	-	-	-
Intergovernmental	10,657,685	276,136,859	-	-	9,737,431
Rentals	4,841,101	4,973,221	-	-	-
Fines, Forfeits and Penalties	10,036,354	1,329,241	-	-	-
Licenses and Fees	3,048,461	188,323	-	-	-
Donations, Contributions and Deposits	-	-	-	-	5,599,118
Repayment of Principal and Interest on General Obligation Bonds by Other Civil Divisions and State Agencies	-	-	41,195,953	-	-
Other	7,179,046	13,047,306	-	-	532,207
Total Revenues	1,434,257,945	403,651,381	41,674,449	-	99,726,768
OTHER FINANCING SOURCES					
Proceeds of General Obligation Bonds and Refunding Bonds	-	-	157,435,000	150,460,939	-
Operating Transfers In From Other Funds	41,195,953	199,727	229,950,967	35,769,716	-
Total Other Financing Sources	41,195,953	199,727	387,385,967	186,230,655	-
Total Revenues and Other Financing Sources	$1,475,453,898	$403,851,108	$429,060,416	$ 186,230,655	$ 99,726,768

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES (DEFICIT) -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Governmental Fund Types				Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
EXPENDITURES					
General Government	$ 112,426,113	$ 5,131,662	$ -	$ 15,612,620	$ -
Public Safety	55,782,521	24,221,849	-	7,740,250	-
Highways	-	56,449,508	-	45,540,778	-
Conservation of Natural Resources	15,027,754	5,811,402	-	8,354,526	-
Health	79,989,120	15,904,588	-	3,122,584	-
Welfare	176,541,292	144,571,089	-	-	-
Education	367,285,860	56,304,204	-	35,291,588	-
Culture - Recreation	21,152,615	7,491,095	-	4,430,150	-
Urban Redevelopment and Housing	10,840	6,437,109	-	8,040,560	-
Economic Development and Assistance	14,013,342	17,409,683	-	3,414,664	-
Debt Service	-	-	387,207,147	-	-
Intergovernmental	18,173,045	-	-	-	-
Social Security, Pension and Health Fund Contributions	174,998,760	-	-	-	-
Expendable Trust Funds	-	-	-	-	83,298,913
Miscellaneous	8,471,460	11,948,463	-	-	-
Total Expenditures	1,043,872,727	351,680,656	387,207,147	131,547,724	83,298,913
OTHER FINANCING USES					
Operating Transfers Out To Other Funds	410,142,843	35,969,363	41,195,953	4,353,012	-
Total Expenditures and Other Financing Uses	1,454,015,571	387,650,020	428,403,101	135,900,736	83,298,913
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES (CARRIED FORWARD)	$ 21,438,327	$ 16,201,087	$ 657,315	$ 50,329,919	$ 16,427,855

STATE OF HAWAII

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES (DEFICIT) -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Governmental Fund Types				Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	$ 21,438,327	$ 16,201,087	$ 657,315	$ 50,329,919	$ 16,427,855
OTHER CHANGES IN UNRESERVED FUND BALANCES					
Reserve for Continuing Appropriations, July 1, 1984	56,666,530	46,680,345	45,700	262,535,613	-
Less Reserve for Continuing Appropriations, June 30, 1985	53,706,027	43,714,129	30,149	440,494,676	-
Decrease (Increase) in Reserve for Continuing Appropriations	2,960,502	2,966,216	15,551	(177,959,063)	-
Increase in Reserve for Federal Aid Highway Projects Encumbrances, Unemployment Compensation, Bond Redemption and Others	-	-	(672,866)	(3,378,517)	(16,427,855)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES, AND OTHER CHANGES IN UNRESERVED FUND BALANCES	24,398,830	19,167,304	-	(131,007,661)	-
UNRESERVED FUND BALANCES (DEFICIT), JULY 1, 1984	105,062,649	53,831,751	-	(202,738,561)	-
UNRESERVED FUND BALANCES (DEFICIT), JUNE 30, 1985	$ 129,461,480	$ 72,999,055	$ -	$(333,746,223)	$ -

STATE OF HAWAII

EXHIBIT A-3

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS (Note 5)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	General Fund			Special Revenue Funds		
	Budget	Actual On A Budgetary Basis	Variance - Favorable (Unfavorable)	Budget	Actual On A Budgetary Basis	Variance - Favorable (Unfavorable)
REVENUES						
Taxes	$1,256,521,000	$1,295,396,085	$ 38,875,085	$ 53,806,000	$ 54,405,606	$ 599,606
Interest and Investment Income	28,994,100	54,009,318	25,015,218	5,845,461	8,610,821	2,765,360
Charges for Current Services	55,043,690	49,089,891	(5,953,798)	29,475,474	44,960,000	15,484,526
Intergovernmental	10,630,881	10,657,685	26,804	331,723,894	276,136,859	(55,587,034)
Rentals	4,465,100	4,841,101	376,001	2,591,000	4,973,221	2,382,221
Fines, Forfeits and Penalties	9,170,320	10,036,354	866,034	888,700	1,329,241	440,541
Licenses and Fees	2,846,101	3,048,461	202,360	282,090	188,323	(93,766)
Other	9,717,713	7,179,046	(2,538,666)	4,130,702	13,047,306	8,916,604
Total Revenues	1,377,388,905	1,434,257,945	56,869,040	428,743,321	403,651,381	(25,091,939)
OTHER FINANCING SOURCES						
Operating Transfers In From Other Funds	42,051,662	41,195,953	(855,708)	-	199,727	199,727
TOTAL REVENUES AND OTHER FINANCING SOURCES	$1,419,440,567	$1,475,453,898	$ 56,013,331	$428,743,321	$403,851,108	$(24,892,212)

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

COMBINED STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	General Fund			Special Revenue Funds		
	Budget	Actual On A Budgetary Basis	Variance - Favorable (Unfavorable)	Budget	Actual On A Budgetary Basis	Variance - Favorable (Unfavorable)
EXPENDITURES						
General Government	$ 140,773,130	$ 113,235,596	$ 27,537,534	$ 5,040,024	$ 3,557,637	$ 1,482,386
Public Safety	58,126,962	57,325,978	800,983	24,381,154	22,331,609	2,049,544
Highways	-	-	-	52,593,562	51,602,778	990,783
Conservation of Natural Resources	15,462,779	15,223,950	238,828	3,901,129	3,181,562	719,566
Health	83,812,149	81,370,203	2,441,945	21,646,156	15,771,831	5,874,324
Welfare	190,909,663	166,436,533	24,473,129	162,276,901	133,759,289	28,517,611
Education	365,937,868	375,536,881	(9,599,013)	66,902,635	53,769,734	13,132,900
Culture - Recreation	19,734,564	19,513,563	221,000	8,187,188	6,769,590	1,417,597
Urban Redevelopment and Housing	-	46,744	(46,744)	-	-	-
Economic Development and Assistance	14,066,100	13,682,244	383,855	15,522,741	16,431,492	(908,751)
Intergovernmental	19,447,551	18,173,045	1,274,506	-	-	-
Social Security, Pension and Health Fund Contributions	174,599,753	175,024,955	(425,202)	-	-	-
Miscellaneous	8,665,164	8,340,914	324,249	17,516,283	10,028,944	7,487,338
Total Expenditures	1,091,535,684	1,043,910,611	47,625,073	377,967,773	317,204,471	60,763,301
OTHER FINANCING USES						
Operating Transfers Out To Other Funds	407,706,924	410,457,094	(2,750,170)	-	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,499,242,608	1,454,367,705	44,874,903	377,967,773	317,204,471	60,763,301
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (79,802,041)	$ 21,086,193	$100,888,234	$ 50,775,548	$ 86,646,636	$ 35,871,088

STATE OF HAWAII

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES AND EXPENSES -
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

OPERATING REVENUES	
Concession Fees	$ 60,180,266
Airport Use Charge	17,924,291
Rentals	21,615,306
Aviation Fuel Tax	5,137,068
Services and Others	13,878,009
Total Operating Revenues	118,734,940
OPERATING EXPENSES BEFORE DEPRECIATION	
Personal Services	28,113,826
Repairs and Maintenance	10,870,762
State of Hawaii, Surcharge for Central Services Expenses	4,390,290
Department of Transportation, Administrative Expenses	2,096,208
Airports Operations	11,334,751
Harbors Operations	1,217,654
Fireboat Operations	754,446
General Administrative	975,166
Miscellaneous	844,701
Total Operating Expenses Before Depreciation	60,597,804
Operating Income Before Depreciation .	58,137,136
DEPRECIATION	18,232,778
Operating Income	39,904,358
NONOPERATING REVENUES (EXPENSES)	
Interest Income	28,114,078
Interest Expense:	
Revenue Bonds	(33,616,194)
General Obligation Bonds	(3,610,222)
Amortization of Bond Discount and Note Issue Costs	(79,123)
Gain on Early Redemption of Bonds	904,780
Other	82,762
Total Nonoperating Expenses Over Revenues	(8,203,919)
NET INCOME	$ 31,700,439

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-5

COMBINED STATEMENT OF CHANGES IN FUND EQUITY - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Contributed Capital	Retained Earnings	Total Fund Equity
BALANCE, JULY 1, 1984	$175,806,670	$197,973,331	$373,780,001
Net Income	-	31,700,439	31,700,439
Transfer of Depreciation	(3,240,040)	3,240,040	-
Decrease in Valuation Allowance on Investments in Revenue Bond Reserve Account	-	261,835	261,835
Government Grants	14,831,738	-	14,831,738
BALANCE, JUNE 30, 1985	$187,398,369	$233,175,645	$420,574,014

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-6

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

SOURCES OF WORKING CAPITAL	
Operations:	
Net Income	$ 31,700,439
Items Not Affecting Working Capital -	
Depreciation	18,232,778
Amortization of Bond Discount and Bond and Note Issue Costs	426,876
Disposal of Facilities	290,014
Return on Investment in Direct Financing Lease	(115,263)
Other	9,998
Working Capital Provided from Operations	50,544,842
Contributed Capital - Government Grants	14,831,738
Revenue Bond Proceeds	65,000,000
Net Increase in Liabilities Payable from Restricted Assets	3,225,316
Other	96,276
Total Sources of Working Capital	133,698,172
USES OF WORKING CAPITAL	
Acquisition of Property, Plant and Equipment	68,895,532
Redemptions and Current Maturities of Long-Term Debt	19,261,979
Net Increase in Restricted Assets	36,037,663
Bond Discount and Bond and Note Issue Costs	1,564,954
Total Uses of Working Capital	125,760,128
NET INCREASE IN WORKING CAPITAL	$ 7,938,044
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL	
Current Assets:	
Cash	$ 10,666,405
Investments in U.S. Treasury Notes	1,217,110
Receivables	(6,409,878)
Inventory of Materials and Supplies	(6,942)
Prepaid Expenses	66,170
Current Liabilities:	
Vouchers and Contracts Payable	(1,895,795)
General Obligation Bonds, Current Portion	564,104
Other Accrued Liabilities	257,258
Prepaid Airport Use Charge	3,479,612
NET INCREASE IN WORKING CAPITAL	$ 7,938,044

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-7

COMBINED STATEMENT OF REVENUES AND EXPENSES - HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

OPERATING REVENUES	
Interest	$ 49,322,277
Sale of Dwelling Units	3,613,875
Rental	13,306,688
Commitment Fees	808,591
Other	1,342,285
Total Operating Revenues	68,393,716
OPERATING EXPENSES	
Interest	49,630,632
Cost of Sale - Dwelling Units	2,717,465
Personnel Services	2,419,390
Repairs and Maintenance	3,637,342
Depreciation	5,151,244
Utilities	5,061,626
Professional Services	246,979
Loan Servicing Fee	816,802
Administration	2,543,700
Housing Assistance Payments	6,804,946
Amortization of Bond Issue Costs	745,983
Other	5,054,514
Total Operating Expenses	84,830,623
Operating Loss	(16,436,907)
NONOPERATING REVENUES	
HUD Annual Contribution	13,558,560
Operating Transfers In From Other Funds	1,064,540
Other	109,306
Total Nonoperating Revenues	14,732,406
NET LOSS	$(1,704,501)

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-8

COMBINED STATEMENT OF CHANGES IN FUND EQUITY - HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Contributed Capital	Accumulated Deficit	Total Fund Equity
BALANCE, JULY 1, 1984, AS PREVIOUSLY REPORTED	$138,193,291	$(3,502,437)	$134,690,854
ADJUSTMENTS (NOTE 4):			
Unrecorded Accumulated Depreciation	-	(14,872,601)	(14,872,601)
HUD Annual Contributions Relating to Payment of Debt Principal	28,288,165	(28,288,165)	-
Other Grants and Contributions Received for Capital Acquisition/Construction	8,189,908	(8,189,908)	-
Transfer of Depreciation on Property and Equipment Acquired or Constructed from Grants and Contributions	(35,983,823)	35,983,823	-
BALANCE, JULY 1, 1984, AS RESTATED	138,687,541	(18,869,288)	119,818,253
Net Loss	-	(1,704,501)	(1,704,501)
Transfer In From Other Funds	336,159	-	336,159
HUD Annual Contributions	9,960,355	-	9,960,355
State of Hawaii and Other Grants	286,901	-	286,901
Transfer of Depreciation	(5,076,070)	5,076,070	-
BALANCE, JUNE 30, 1985	$144,194,886	$(15,497,719)	$128,697,167

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-9

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -
HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

SOURCES OF CASH	
Cash Provided from Operations:	
Net Loss	$ (1,704,501)
Items Not Requiring Use of (Providing) Cash:	
Depreciation	5,151,244
Increase in Accrued Interest Payable	5,493,329
Amortization	745,983
Increase in Accrued Interest Receivable	(4,336,119)
Increase in Deferred Commitment Fees	158,460
Loss on Disposal of Property and Equipment	255,357
Cash Provided from Operations	5,763,753
Dispositions of Property, Plant and Equipment (Net)	81,690
Collections on Notes and Loans Receivable	12,893,429
Increase in Contributed Capital	10,583,415
Proceeds from Sale of Revenue Bonds	100,000,000
Decrease in Dwelling Unit Inventory	100,572
Increase in Security Deposits	104,469
Additions to Liabilities Collateralized by HUD Contributions	12,769,900
Decrease in Land Held for Future Development	550,991
Other Decreases in Assets	285,813
Other Increases in Liabilities	1,203,516
Total Sources of Cash	144,337,548
USES OF CASH	
Increase in Assets Held by Trustee	45,779,754
Increase in Investments	3,632,402
Increase in Notes and Loans Receivable	52,789,830
Additions to Property, Plant and Equipment	14,123,260
Redemption of Bonds	12,760,000
Increase in Bond Issue Costs	2,506,470
Increase in HUD Receivable	2,592,062
Payments of Liabilities Collateralized by HUD Contributions	9,960,355
Other Decreases in Liabilities	1,158,207
Other Increases in Assets	604,180
Total Uses of Cash	145,906,520
Net Decrease in Cash	(1,568,972)
CASH BALANCE, JULY 1, 1984	5,734,627
CASH BALANCE, JUNE 30, 1985	$ 4,165,655

The accompanying notes are an integral part of the combined financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
STATE HOSPITALS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

OPERATING REVENUES	
Patients Service Revenue	$ 84,411,839
Contractual and Other Allowances, and Adjustments	(12,959,035)
Net Revenue from Services to Patients	71,452,804
Other Operating Revenues	1,034,007
Total Operating Revenues	72,486,811
OPERATING EXPENSES	
Nursing Services	27,082,792
Other Professional Services	16,238,842
General Services	15,320,400
Fiscal and Administrative	21,433,064
Other Services	117,209
Depreciation	3,081,488
Other	115,585
Total Operating Expenses	83,389,380
Loss from Operations	(10,902,569)
NONOPERATING REVENUES (EXPENSES)	
Operating Transfers In From Other Funds	10,612,340
Advances Due to Other Funds	(323,321)
Donations and Grants	18,865
Other	701,811
Total Nonoperating Revenues Over Expenses	11,009,695
Excess Of Revenues Over Expenses	107,126
UNRESTRICTED FUND	
Building Improvements from Other State Agencies	616,224
Transfers In from Other Funds	4,006,272
Transfers from Restricted Funds	1,007,827
Transfers to Restricted Funds	(344,680)
Net Transfer of Equipment from State of Hawaii and Other	103,217
Net Increase in Unrestricted Fund	5,495,986
RESTRICTED FUNDS	
Restricted Gifts and Bequests	25,148
Specific Purpose Funds Receipts	2,565,267
Transfers from Unrestricted Fund	344,680
Transfers to Unrestricted Fund	(1,007,827)
Net Increase in Restricted Funds	1,927,268
Net Increase in Unrestricted and Restricted Funds	7,423,254
FUND BALANCES, JULY 1, 1984	71,120,614
FUND BALANCES, JUNE 30, 1985	$ 78,543,868

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-11

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -
UNRESTRICTED STATE HOSPITALS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

SOURCES OF WORKING CAPITAL	
Operations:	
Excess of Revenues Over Expenses	$ 107,126
Items not Affecting Working Capital -	
Depreciation	3,081,488
Other	(90,385)
Working Capital Provided from Operations	3,098,229
Transfers In From Other Funds	4,006,272
Transfers from Restricted Funds	1,007,827
Book Value of Equipment Disposed	8,787
Other	920,236
Total Sources of Working Capital	9,041,351
USES OF WORKING CAPITAL	
Additions to Property, Plant and Equipment	7,294,620
Transfers to Restricted Funds	344,680
Other	200,000
Total Uses of Working Capital	7,839,300
NET INCREASE IN WORKING CAPITAL	$ 1,202,051
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL	
Current Assets:	
Cash	$ 1,350,557
Accounts Receivable	6,183,972
Other Receivables	14
Inventories	64,570
Prepaid Expenses and Deposits	(94,782)
Current Liabilities:	
Advances from Other Funds	(42,521)
Accounts Payable and Accrued Expenses	(639,631)
Accrued Vacation Payable	(507,835)
Other Accrued Liabilities	(5,126,551)
Custodian Funds and Deposits	14,258
NET INCREASE IN WORKING CAPITAL	$ 1,202,051

The accompanying notes are an integral part of the combined financial statements.

STATE OF HAWAII

EXHIBIT A-12

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
OPERATING TRANSFERS AND CHANGES IN FUND BALANCES - UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

REVENUES AND OTHER ADDITIONS	
Educational and General Revenues:	
Tuition and Fees	$ 7,594,356
Federal Appropriations, Grants and Contracts	59,792,252
Indirect State Support	37,609,864
State and Local Grants and Contracts	3,168,082
Private Gifts, Grants and Contracts	4,854,894
Sales and Services	4,565,262
Endowment Income and Others	1,774,673
Auxiliary Enterprises Revenues	29,578,616
Investment Income	1,745,886
Expended for Plant Facilities	11,974,841
Contributions for Plant Facilities	44,782,898
Contributions for Debt Retirement	660,412
Decrease in Allowance for Uncollectible Loans	326,420
Other	644,906
Total Revenues and Other Additions	209,073,362
EXPENDITURES AND OTHER DEDUCTIONS	
Educational and General Expenditures:	
Instruction	106,902,343
Research	61,879,394
Public Service	17,099,583
Academic Support	28,488,381
Student Services	15,078,801
Institutional Support	20,075,487
Operation and Maintenance of Plant	22,530,006
Scholarship and Fellowship	5,874,960
Auxiliary Enterprises Expenditures	26,324,959
Independent Operation Expenditures	2,182,690
Expenditure for Plant Facilities	1,433,075
Loan Cancellations and Write-offs	332,189
Debt Retirement and Interest	2,711,896
Disposal of Plant Facilities	4,669,073
Indirect Overhead Cost	8,291
Other	220,706
Total Expenditures and Other Deductions	315,811,834
OPERATING TRANSFERS	
Operating Transfers In From Other Funds	168,525,497
Net Increase in Fund Balances	61,787,025
FUND BALANCES, JULY 1, 1984	487,904,582
FUND BALANCES, JUNE 30, 1985	$549,691,607

The accompanying notes are an integral part of the combined financial statements.

1. Financial Statement Presentation

The accompanying combined financial statements of the State of Hawaii present the financial position of the various fund types and account groups, the results of operations of the various fund types and the changes in financial position of the proprietary fund types as of June 30, 1985 and for the year then ended. The Employees' Retirement System of the State of Hawaii is administered on behalf of public employees for both State and County governments and is not included in the State's financial statements since its assets are not available to the State.

The financial statements, accompanying schedules, and notes have been truncated and may not total due to the omission of cents.

The financial activities are recorded in individual funds classified by type and described below, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses.

GOVERNMENTAL FUND TYPES

General Fund:

Transactions related to resources obtained and used for services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the general fund. These services include, but are not limited to, education, welfare, general government, public safety, health, culture and recreation, and conservation of natural resources.

Special Revenue Funds:

Transactions related to resources obtained, the uses of which are restricted to specific purposes, are accounted for in special revenue funds. Special revenue funds include, among others, the Highway Fund and the Farm Loan Revolving Fund.

Debt Service Funds:

Transactions related to resources obtained and used for the payment of interest and principal on general long-term bond obligations are accounted for in the debt service funds.

Capital Projects Funds:

Substantially all transactions related to resources obtained and used for the acquisition or construction of State general fixed assets and facilities are reflected in the capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues and Federal grants.

PROPRIETARY FUND TYPES

Enterprise Funds:

Enterprise Funds include -

- Department of Transportation - Airports Division which operates all State airports and air navigation facilities and is responsible for general supervision of aeronautics within the State.

- Department of Transportation - Harbors Division which operates all State commercial harbors.

Hawaii Housing Authority Funds:

- Transactions related to the provision of dwelling accommodations for low and moderate income residents of the State are accounted for in the Hawaii Housing Authority Funds (HHA).

State Hospitals Funds:

- Transactions related to the financial activities of the following State Hospitals are accounted for in the State Hospitals Funds -

Hilo Hospital
Honokaa Hospital
Kau Hospital
Kauai Veterans Memorial Hospital
Kohala Hospital
Kona Hospital
Kula Hospital
Lanai Community Hospital
Leahi Hospital
Samuel Mahelona Memorial Hospital
Maluhia Hospital
Maui Memorial Hospital and Hana Medical Center

University Funds:

- Transactions related to the financial activities of State higher education institutions are accounted for in the University Funds.

FIDUCIARY FUND TYPES

Transactions related to cash and investments held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

- Expendable trust funds which account for cash and investments received and expended by the State as trustee.

- Agency funds which account for employee benefit receipts and payments to the Hawaii Public Employees Health Fund; and clearance of State payroll and tax collections including protested tax payments.

ACCOUNT GROUPS

General Fixed Assets Account Group:

General fixed assets acquired for use by the State in the conduct of its activities, other than infrastructure assets and assets of proprietary fund types, are reflected in the general fixed assets account group at cost or estimated fair market value at date of donation when known or at valuation amounts as described in Note 3. Infrastructure assets consist principally of highways, roads and bridges. Interest cost during the construction period is not capitalized. Accumulated depreciation is not recorded in the general fixed assets account group.

General Long-Term Debt Account Group:

Unmatured long-term general obligation bonds excluding those accounted for in proprietary fund types, certain notes payable, and accrued vacation payable for governmental fund types are reflected in the general long-term debt account group.

2. Summary Of Significant Accounting Policies

ALL FUNDS

Employees' Retirement System:

Required contributions to the Employees' Retirement System are based upon actuarial valuation and include amortization of accrued unfunded liability over a period of fifty years from July 1, 1964. The State's policy is to fund its required contribution annually.

Employee Benefit Costs:

Costs for pension, health, Federal Social Security benefits and workers' compensation for governmental type funds are recorded by the funds budgeted to make the expenditures. Costs applicable to proprietary fund types are reflected as expenses in the proprietary funds.

Grants:

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other Federal reimbursement type grants are recorded as intergovernmental receivables and revenues when the related expenditures, or expenses, are incurred.

Intrafund And Interfund Transactions:

Significant transfers of financial resources between departments and activities included within the same fund are offset within that fund. Transfers of revenues from funds authorized to receive them to funds authorized to expend them have been recorded as operating transfers in the financial statements.

GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST AND AGENCY FUNDS

Basis Of Accounting:

The accounts of the general, special revenue, debt service, capital projects, and expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under such basis, revenues are recorded as received in cash except for (a) revenues susceptible to accrual, i.e., measurable and available and (b) revenues received prior to the period of benefit; and expenditures are recorded on the accrual basis except that (1) expenditures are not divided between years by the recording of prepaid expenses, (2) loans made to foster economic growth and development, agriculture, and for homes for native Hawaiians are charged to expenditures when made and repayments thereon are recorded as revenues when received and (3) interest on long-term debt is recorded when paid. In addition, certain self-assessed taxes, primarily public service company taxes, are recognized as receivables when tax returns are filed. The portion of fund balance represented by these and all other receivables and investments is not considered available for spending at the balance sheet date and, accordingly, has been reserved.

Short-Term Cash Investments:

Short-term cash investments include temporary investments of time certificates of deposit.

Investments:

Investments are carried at cost which approximates market at June 30, 1985.

Assets Held By Agents For State Deferred Compensation Plan:

Assets held by agents for State deferred compensation plan are carried at market value.

Inventories Of Materials And Supplies:

Inventories of materials and supplies are recorded as expenditures when purchased.

Accumulated Vacation And Sick Leave:

State employees' sick leave and vested annual vacation (see Note 14) are recorded as expenditures when actually taken.

Reserves:

Portions of fund balance are reserved for the following:

- Continuing appropriations which include specific legislative appropriations which do not lapse at the end of the fiscal year and encumbrances. Encumbrances are recorded obligations in the form of purchase orders, contracts, or salary commitments. The State records commitments as encumbrances at the time purchase orders or contracts are awarded and executed.

- Receivables, advances, and investments which are not currently available for expenditure at the balance sheet date.

- Federal Aid Highway Projects encumbrances.
- Bond redemption.
- Expendable trust fund balances which are restricted to the purpose of the account.
- State Hospital and University fund balances that are restricted for construction, student loans, endowment, plant and other programs.

PROPRIETARY FUND TYPES

Basis Of Accounting:

The accounts of the proprietary fund types are maintained and reported using the accrual basis of accounting.

Investments:

Investments in U.S. Treasury bonds, notes and bills, corporate bonds, and other short-term investments are stated at amortized cost. Investment in corporate stocks are stated at cost. At June 30, 1985, the carrying value of investments approximated market value. Contributed investments are recorded at fair market value when received.

Inventories:

Inventories are stated at the lower of cost (determined on the first-in, first-out method) or market.

Accumulated Vacation:

Vacation pay is accrued when earned.

Property, Plant And Equipment:

Property, plant and equipment acquired by purchase or construction are recorded at cost. Contributed property is recorded at fair market value at time received. Depreciation on State Hospital facilities is provided on the straight-line basis over estimated useful lives of 5 to 50 years for buildings and other improvements and 5 to 40 years for machinery and equipment. Airport facilities are depreciated on the straight-line basis over estimated useful lives of 20 to 45 years for land improvements, buildings and other improvements and 10 years for machinery and equipment. Depreciation on Harbor facilities is provided on the straight-line basis over estimated useful lives using composite rates of 1% to 20% for land improvements, buildings and improvements, and wharves and 8% for machinery and equipment. Such depreciation on Harbor facilities is not provided for in the year of acquisition, but is provided for the entire year in the year of disposal. Depreciation is provided by the Hawaii Housing Authority on its property and equipment on the straight-line basis over estimated useful lives of 10 to 40 years for buildings and improvements and 3 to 10 years for equipment.

Maintenance and repairs and minor replacements, renewals and betterments are charged to operations; major renewals, replacements and betterments are capitalized. Disposal of assets are recorded by removing the cost and related accumulated depreciation from the accounts with the resulting gain or loss reflected in operations.

Depreciation on contributed Airport, Harbor, and Hawaii Housing Authority property from Federal, State and other grants is included in the depreciation expense presented in the Statement of Operations but is transferred in the related Statement of Changes in Fund Equity to the contributed capital account. For depreciation on Hawaii Housing Authority assets acquired or constructed from U.S. Department of Housing and Urban Development (HUD) contributions, the related portion of the transfers is restricted to the lesser of the depreciation expense or annual HUD contribution received for the payment of debt principal.

Consistent with generally accepted accounting principles for colleges and universities, no provision is provided for depreciation of the cost of plant assets of University Funds.

Bond And Note Issue Costs:

Costs related to the issuance of bonds and notes are amortized by the straight-line method over the term of the obligations.

Enterprise Funds:

Unamortized Debt Discount -

Debt discount is amortized using the effective interest method over the terms of the related debt and the unamortized balance is offset against the related long-term debt.

Interest Cost -

Total interest cost incurred for the year ended June 30, 1985, amounted to $39,441,000 of which $2,135,000 was capitalized as part of the acquisition cost of facilities.

Hawaii Housing Authority Funds:

Dwelling Inventory And Land Held For Future Development -

The dwelling unit inventory includes dwelling units available for sale, repurchased units available for sale, real estate owned and acquired through foreclosure, and property subject to agreements of sale on which insufficient cash has been received to date to record the sale. Land held for future development includes development in progress. Dwelling inventory and land held for future development are stated at the lower of cost or market.

HUD Annual Contributions -

HHA receives annual contributions and subsidies from HUD for operating the housing assistance payment programs and the development and operation of low income housing projects. HUD provides the annual debt service contributions with which to meet interest and principal payments on notes and bonds. The debt service contribution related to principal and interest are recognized as contributed capital and nonoperating revenue, respectively. HHA also receives annual subsidies from HUD for housing assistance payments and operating deficits incurred in the operation of the programs. Annual subsidies are recognized as nonoperating revenue upon notification of approval from HUD and are accounted for in HUD annual contributions.

Profit Recognition On Dwelling Unit Sales -

Revenues and profit from sales of dwelling units are recognized when the amount of revenue is measurable; that is, collectibility of the sales price is reasonably assured and the earnings process is complete, usually when the sale closes escrow. Unless both conditions exist, the transaction is recorded using either the deposit or installment method, as appropriate.

Commitment Fees -

Commitment fees collected in connection with the Single Family Mortgage Purchase programs are deferred and recognized as revenue at the earlier of the funding of the commitment or its expiration.

State Hospitals Funds:

Operations -

The Department of Health administers the operations and maintenance of the County/State Hospitals and establishes the rates for services. The Legislature appropriates funds for the differences between the Hospital's receipts and expenditures and for capital improvement projects. Section 96 of Act 301/83 Laws of the State of Hawaii provides for the reduction in General Fund appropriation to the extent Special Funds receipts exceed Special Funds appropriations.

Medicare And Medicaid Reimbursements -

Reimbursement for services under the Medicaid program and the Medicare program (prior to July 1, 1984) was at the lower of allowable cost or standard charges. On July 1, 1984, Medicare's Prospective Payment System became effective which provides for reimbursement of Hospitals principally at a predetermined specific rate for each Medicare discharge based upon the patient's diagnosis. The prospective payment rate excludes certain capital related costs which are reimbursed based upon reasonable cost.

Revenues from services reimbursed under Medicare and Medicaid programs are recorded at the estimated reimbursable amounts. Final determination of the amounts earned is subject to review by the fiscal intermediary or a peer review organization. In the opinion of management, adequate provision has been made for any adjustments that may result from such reviews.

University Funds:

Fund Accounting -

The financial activities of the University of Hawaii are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for University of Hawaii programs and University of Hawaii loan, endowment and plant funds.

Unrestricted revenue is accounted for in the unrestricted current fund. Tuition and fees of the University's fall and spring semesters and certain other receipts aggregating $27,821,000 in 1985 are deposited in the General Fund of the State of Hawaii in accordance with

Act 184, Session Laws of 1961 and other acts. Restricted gifts, grants, endowment income and other restricted resources are accounted for in restricted current funds, loan funds, endowment funds and plant funds. Revenues and expenditures are reported in restricted current funds when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the educational institutions are accounted for in the loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds.

General endowment funds are subject to the restrictions of gift instruments requiring the principal to be invested in perpetuity with only income to be utilized.

3. Departures From Generally Accepted Accounting Principles

Due to a lack of detailed centralized historical cost information, certain lands totaling approximately $203,000,000 and buildings totaling approximately $25,000,000 have been included in the general fixed assets account group at 1974 and 1981 valuation amounts. Generally accepted accounting principles provide for such assets to be recorded at actual cost or if cost is not practicably determinable, at estimated cost. Donated fixed assets should be recorded at their estimated fair value at the time received. The effect of reflecting such land and buildings in accordance with generally accepted accounting principles has not been determined.

In addition, the accompanying financial statements for the general fixed assets account group do not reflect certain disclosures prescribed under generally accepted accounting principles with respect to construction in progress additions and deductions during 1985 as such information is not available.

The State of Hawaii is presently considering revaluation of these assets at estimated cost to bring its financial statements in conformance with generally accepted accounting principles as well as implementing a comprehensive fixed asset accounting system.

4. Changes In Fund Balances

Governmental Fund Types And Expendable Trust Funds -

In 1985, the State's fund balances changed as follows:

	Funds				
	General	Special Revenue	Debt Service	Capital Projects	Trust
Fund balance (deficit), July 1, 1984 -					
Reserved	$130,275,331	$114,544,759	$265,583,262	$ 316,773,110	$146,807,930
Unreserved	105,062,649	53,831,751	-	(202,738,561)	-
Balance carried forward	$235,337,980	$168,376,511	$265,583,262	$ 114,034,548	$146,807,930

	Funds				
	General	Special Revenue	Debt Service	Capital Projects	Trust
Balance brought forward	$235,337,980	$168,376,511	$265,583,262	$ 114,034,548	$146,807,930
Changes in reserved fund balance -					
Increase in reserve for Federal Aid Highway Projects Encumbrances	-	-	-	3,378,517	-
Increase (decrease) in reserve for continuing appropriations	(2,960,502)	(2,966,216)	(15,551)	177,959,063	-
Decrease in reserve for receivables and advances	(21,364,506)	(982,364)	-	-	-
Increase in reserve for investments	-	298,054	-	-	-
Increase in reserve for unemployment compensation and other	-	-	-	-	16,422,607
Decrease in reserve for bond fund loans to proprietary fund types	-	-	(6,935,496)	-	-
Increase in reserve for bond redemption	-	-	2,340,381	-	-
	(24,325,008)	(3,650,527)	(4,610,666)	181,337,580	16,422,607
Change in unreserved fund balance -					
Increase (decrease) in unreserved fund balance	24,398,830	19,167,304	-	(131,007,661)	-
	24,398,830	19,167,304	-	(131,007,661)	-
Fund balance (deficit) June 30, 1985 -					
Reserved	105,950,321	110,894,232	260,972,595	498,110,690	163,230,537
Unreserved	129,461,480	72,999,055	-	(333,746,223)	-
	$235,411,801	$183,893,288	$260,972,595	$ 164,364,467	$163,230,537

At June 30, 1985, expendable trust fund balances reserved for unemployment compensation and other consisted of the following:

Unemployment	$150,752,959
Medical malpractice patients' compensation	561,120
Other	11,916,457
	$163,230,537

Hawaii Housing Authority Funds -

During 1985, the State of Hawaii had determined that accumulated depreciation through July 1, 1984 on certain Hawaii Housing Authority Funds property, plant and equipment had been understated by $14,872,601. Accordingly, the Hawaii Housing Authority fund equity as of July 1, 1984 was retroactively restated to reflect such additional depreciation. The effect of the retroactive adjustment on the fiscal 1984 operating results of the Hawaii Housing Authority Funds was to reduce net income previously reported by approximately $1,200,000.

5. Budgeting And Budgetary Control

Revenue estimates are provided to the Legislature at the time of budget consideration and are revised and updated throughout the year. Amounts reflected as budgeted revenues in the Statement of Revenues and Expenditures - Budget and Actual are those estimates as compiled by the Council on Revenues and Director of Finance. Budgeted expenditures are derived primarily from the General Appropriations Act of 1983 (Act 301, Session Laws of 1983), as amended, and from other authorizations contained in the Hawaii Constitution, the Hawaii Revised Statutes and other specific appropriation acts in various Session Laws of Hawaii.

To the extent not expended or encumbered, General Fund appropriations generally lapse at the end of the fiscal year for which the appropriations were made. The Legislature specifies the lapse date and any other particular conditions relating to terminating the authorization for other appropriations.

Summarization of the budgets adopted by the Legislature for the "budgetary" General and Special Revenue Funds are presented in the Combined Statement of Revenues and Expenditures - Budget and Actual. For purposes of budgeting, the State's budgetary fund structure differ from those utilized to present financial statements in conformity with generally accepted accounting principles. A summarization of the material differences for the year ended June 30, 1985 follows:

	General Fund	Special Revenue Funds
Excess of revenues and other financing sources over expenditures and other financing uses - actual on budgetary basis	$ 21,086,193	$ 86,646,636
Reserve for continuing appropriations at year end	53,706,027	12,111,086*
Expenditures for liquidation of prior year encumbrances and continuing appropriations	(53,353,893)	-
Expenditures for unbudgeted programs, principally expenditures for Federal grant projects and revolving funds	-	(82,556,635)
Excess of revenues and other financing sources over expenditures and other financing uses - actual	$ 21,438,327	$ 16,201,087

* Amount reflects the encumbrance balances (included in continuing appropriations) for budgeted programs only.

6. Receivables

Taxes Receivable:

At June 30, 1985, taxes receivable consisted of the following -

	Funds	
	General	Enterprise
Public service company taxes	$28,017,368	$ -
Income taxes and other self-assessed taxes	6,591,872	-
Aviation fuel taxes	-	223,001
	$34,609,240	$223,001

Under the Hawaii Revised Statutes, public service company taxes are levied on certain businesses based upon gross income. These taxes are due on January 1; however, a company may elect to pay the tax in four equal installments during the year. The receivable amount primarily represents uncollected installments.

Accounts and Accrued Interest Receivable:

At June 30, 1985, accounts and accrued interest receivable consisted of the following -

	Funds				
	Special Revenue	Enterprise	Hawaii Housing Authority	State Hospitals	University
Advances to homesteaders under Hawaiian Home Lands Programs	$61,904	$ -	$ -	$ -	$ -
Airport services and fees	-	9,411,711	-	-	-
Harbor services and fees	-	3,099,215	-	-	-
Hospital patient services	-	-	-	37,512,115	-
Interest	-	2,989,755	10,495,293	-	49,174
Claims and other	-	-	-	-	1,395,362
	61,904	15,500,681	10,495,293	37,512,115	1,444,536
Less allowance for doubtful accounts	-	2,072,000	-	12,133,123	63,129
Accounts and accrued interest receivable, net	$61,904	$13,428,681	$10,495,293	$25,378,992	$1,381,407

Notes Receivable:

At June 30, 1985, notes receivable consisted of the following -

General Fund:	
Molokai Task Force Loans	$ 309,310
Kauai Task Force Loans	1,626,883
Independent Sugar Growers Loans	1,015,264
North Kohala Task Force Loans	3,555,496
State Disaster Commercial Loans	2,300
State Loans for Certain Employment	11,987
Molokai General Hospital	235,433
Total	$ 6,756,676
Special Revenue Funds:	
Hawaiian Home Lands -	
Native Hawaiian Rehabilitation Fund	$ 41,998
Statewide Replacement Loan Fund	7,234,447
Maintenance, Repair and Renovation Loan Fund	598,384
Loan Guaranty Fund	192,367
Homesteaders Loan Fund	3,494,238
Homesteaders and Non-Homesteaders Loan Fund	654,045
Hawaiian Home Land Loan Fund	3,471,694
Hawaiian Home Land General Loan Fund	22,214,107
Farmers, Farm Loan Program	1,480,212
Agriculture -	
Farmers, Farm Loan Program	14,653,626
Hawaii Agricultural Products Loan Program	156,563
Hawaii Aquacultural Loans	415,295
Veterans' Loan Fund	1,053,999
Planning and Economic Development -	
Commercial Fishing Vessel Repairs and Maintenance Loan Fund	812,355
Hawaii Capital Loan Program	4,065,875
Fisheries New Vessel Loan Fund	4,406,663
State Disaster Loan Program	21,978
Office of Hawaiian Affairs -	
Economic Development Loans	20,205
Total	$64,988,058

Hawaii Housing Authority:	
Mortgage Loans - Act 50/1979	$236,067,978
Lower and Middle Income Resident Loan Fund	1,953,493
Down Payment Loan Fund	415,387
Mortgage Loan Fund, net of deferred income of $3,709,162 on sales of housing project recognized on the installment method	15,253,993
Total	$253,690,851

Borrowers on Hawaiian Home Lands notes have generally pledged various real property as collateral for the notes.

7. Investments

At June 30, 1985, investments consisted of the following:

	Funds				
	Special Revenue	Enterprise	Hawaii Housing Authority	University	Trust And Agency
Time certificates of deposit and money market deposits	$ 767,060	$ -	$43,514,479	$ -	$ -
U.S. Treasury bills, notes and bonds, at amortized cost	592,026	1,217,110	6,288,721	-	2,219,040
Corporate stocks and bonds	745,901	-	-	-	118,091
Other	-	-	-	250	-
	$2,104,987	$1,217,110	$49,803,200	$250	$2,337,131

8. Restricted Assets

At June 30, 1985, restricted assets consisted of the following:

	Proprietary Fund Types			
	Enterprise	Hawaii Housing Authority	State Hospitals	University
Cash, including certificates of deposit of $134,598,000 for Enterprise Funds, $40,020,381 for Hawaii Housing Authority, and $5,590,393 for University Funds	$165,860,163	$ 40,079,606	$2,891,810	$ 8,513,111
Investments -				
U.S. Treasury bills, notes and bonds, at amortized cost	41,554,872	58,696,542	-	2,058,853
Corporate stocks and bonds	-	-	-	9,066,298
Mortgages	-	-	-	375,760
Repurchase agreements for U.S. Government Securities	-	90,749,294	-	-
Other	-	331,727	-	-
Investment in direct financing leases	27,018,098	-	-	-
Subtotal carried forward	$234,433,133	$189,857,169	$2,891,810	$20,014,022

	Proprietary Fund Types			
	Enterprise	Hawaii Housing Authority	State Hospitals	University
Subtotal brought forward	$234,433,133	$189,857,169	$2,891,810	$20,014,022
Accounts receivable -				
U.S. Government	-	-	-	6,396,998
Others, net of allowance for doubtful accounts of $97,674	-	-	-	2,151,633
Due from Internal University funds	-	-	-	615,276
Accrued interest receivable	222,187	-	-	173,468
Inventories	-	-	-	67,977
Prepaid expenses	-	-	-	18,139
Notes receivable -				
Higher education loans, net of allowance for doubtful accounts of $2,380,720	-	-	-	13,709,009
	$234,655,320	$189,857,169	$2,891,810	$43,146,522

Certain leases of State-owned special facilities to parties engaged in airline and maritime operations are accounted for as direct financing leases. At June 30, 1985 investment in direct financing leases comprised:

Total minimum lease payments receivable	$ 81,658,006
Estimated unguaranteed residual value	3,600,000
Less unearned income	(58,885,471)
	26,372,535
Cash with trustee and other	645,563
	$ 27,018,098

Minimum future rentals to be received under direct financing leases as of June 30, 1985 was as follows - $2,933,847 annually in each of the next five years through June 30, 1990 with $66,988,771 to be received thereafter.

9. Property, Plant And Equipment

At June 30, 1985, property, plant and equipment of proprietary fund types consisted of the following:

	Proprietary Fund Types			
	Enterprise	Hawaii Housing Authority	State Hospitals	University
Land and land improvements	$ 352,325,852	$ 30,825,520	$ 1,409,472	$ 36,167,724
Buildings and improvements	253,923,514	148,716,102	44,877,003	337,808,055
Wharves	47,483,568	-	-	-
Machinery and equipment	14,777,560	5,041,695	23,602,480	117,299,650
Library/other books	-	-	-	44,951,465
Livestock	-	-	-	294,798
	668,510,494	184,583,317	69,888,955	536,521,692
Less accumulated depreciation (Note 2)	(189,404,376)	(54,577,884)	(28,343,701)	-
	479,106,118	130,005,433	41,545,254	536,521,692
Construction in progress	169,807,969	3,857,896	41,090,435	1,183,000
	$ 648,914,087	$133,863,329	$ 82,635,689	$537,704,692

The University Funds' property, plant and equipment additions and deletions during 1985 amounted to $58,875,882 and $4,669,073, respectively.

Changes In General Fixed Assets (Unaudited):

	Land	Buildings And Improvements	Equipment	Total
Balance, July 1, 1984, as previously reported	$328,151,740	$688,688,336	$236,593,805	$1,253,433,881
Adjustment to remove buildings owned by County governments	-	94,284,736	-	94,284,736
Balance, July 1, 1984, as restated	328,151,740	594,403,600	236,593,805	1,159,149,145
Additions	287,327	17,089,820	23,271,949	40,649,096
Deductions	182,830	541,396	5,120,942	5,845,168
	$328,256,237	$610,952,024	$254,744,812	1,193,953,073
Construction in progress, June 30, 1985				85,256,472
Balance, June 30, 1985				$1,279,209,545

In 1967 certain education functions which had been performed by the Counties under contractual arrangement with the State of Hawaii were transferred to the State. In this connection, ownership of certain school buildings was retained by the Counties. An adjustment for $94,284,736 was made to the general fixed assets account group retroactively to remove such County-owned buildings which were inadvertently included with the State's general fixed assets.

10. Loans For Issued General Obligation Bonds

The State has advanced proceeds received from general obligation bond issues to proprietary fund types and other State agencies. Repayments, including interest, are reimbursed from specific revenue sources of the fund or agency, and correspond to the terms of the related general obligation bonds. At June 30, 1985, outstanding advances consisted of the following:

Proprietary Fund Types	$ 89,238,171
Special Revenue Funds -	
Highways	150,880,910
Land Development Projects	1,770,285
Hawaii Water Authority*	6,180,795
Small Boat Harbors	3,065,136
Offstreet Parking	4,235,878
Planning and Economic Development	180,000
	$255,551,175

*Bonds were issued prior to Statehood and do not require reimbursement. No payments were received in 1985. The Hawaii Water Authority is now part of the Department of Land and Natural Resources.

11. Notes, Loans, And Installment Contracts Payable

Hawaii Housing Authority:

As of June 30, 1985, notes payable consisted of the following -

Mortgage loans assumed with repurchase units, bearing interest from 8% to 14%, maturing within 30 years.	$ 652,846
Note payable to Farmers Home Administration due in monthly installments of $2,207 through 2009, interest at 1%.	543,723
	$1,196,569

Property, dwelling unit inventory and rental receipts are pledged as collateral on the notes payable. Annual principal payments on the HHA notes payable during the next five fiscal years range from $47,000 to $61,000.

University Funds:

The University Funds has purchased certain equipment on the installment method with interest ranging from 8% to 12% per annum. At June 30, 1985, installment contracts payable amounted to $3,893,660. Principal maturities in each of the next five years are as follows - $1,059,526 in 1986, $1,099,163 in 1987, $1,114,488 in 1988, $349,074 in 1989, and $155,460 in 1990.

General Long-Term Debt:

As of June 30, 1985, notes and loans payable reflected in the general long-term debt account group consisted of -

Notes payable to Hawaii Housing Authority consist of various notes maturing through 1994, at 7.5% interest, on behalf of the Department of Hawaiian Home Lands (annual principal maturities in the next five years are as follows - $455,000 in 1986, $454,000 in 1987, $490,000 in 1988, $528,000 in 1989, and $568,000 in 1990).	$3,743,455
Loan payable to Federal Department of the Interior Bureau of Reclamation by the State Department of Land and Natural Resources due in 28 annual installments of $112,844 plus nominal interest through 2013.	3,159,609
	$6,903,064

12. General Obligation Bonds Payable

General obligation bonds are serial bonds backed by the full faith and credit of the State of Hawaii. All issues except those prior to September 1, 1968 contain call provisions (call prices range from 103 to 100). Stated interest rates range from 3.5% to 12.0%. At June 30, 1985, the general obligation bonds consisted of the following:

Callable	$1,678,245,620
Noncallable	19,390,000
Total general obligation bonds outstanding	$1,697,635,620

At June 30, 1985, general obligation bonds payable amounted to $1,697,635,620 of which $89,238,167 were reflected as a liability of the proprietary fund types for bonds issued to finance proprietary fund type capital projects.

Proceeds of certain general obligation bonds had been contributed as capital to the Hawaii Housing Authority Funds. These bonds are recorded in the general long-term debt account group since principal repayments are funded through the General Fund. The Hawaii Housing Authority is required to reimburse the General Fund for the interest portion of the debt service which amounted to $4,309,000 in 1985.

A summary of debt service requirements to maturity follows:

Fiscal Year	Principal	Interest
1986	$ 120,904,270	$ 119,277,177
1987	127,919,270	111,782,541
1988	135,179,270	103,565,979
1989	131,089,270	94,882,743
1990	126,464,270	86,371,862
1991	124,619,270	78,018,256
1992	118,520,000	69,835,596
1993	112,440,000	61,885,243
1994	102,200,000	54,227,457
1995	96,135,000	47,088,937
1996	92,020,000	40,225,978
1997	76,810,000	33,781,147
1998	68,535,000	28,069,753
1999	56,100,000	22,716,535
2000	51,995,000	17,824,942
2001	43,735,000	13,282,157
2002	43,805,000	9,144,328
2003	30,455,000	5,251,198
2004	18,045,000	2,677,576
2005	9,800,000	1,247,077
2006	1,565,000	618,277
2007	1,665,000	524,835
2008	1,770,000	425,122
2009	1,545,000	329,100
2010	1,645,000	234,900
2011	1,755,000	134,550
2012	920,000	27,600
	$1,697,635,620	$1,003,450,874

During March 1985 the State of Hawaii deposited funds to a trust for investment to be used solely for satisfying scheduled payments of principal and interest of certain general obligation bonds. Such debt amounting to $141,660,000 at June 30, 1985 has been treated as extinguished in the accompanying financial statements.

Subsequent to June 30, 1985, the State issued callable general obligation bonds, Series BC dated July 1, 1985, amounting to $74,900,000 which bear interest at 7.30% to 8.00% per annum and mature serially through 2001; and issued certain other bonds, Series BD dated November 1, 1985, amounting to $75,000,000 which bear interest at 7.7% to 8.5% per annum and mature serially through 2005. Proceeds from Series BC debt and other funds were deposited into a trust for investment to satisfy scheduled payments of principal and interest of certain existing general obligation bonds in the amount of $75,000,000.

The State Constitution limits the amount of general obligation bonds which may be issued. As required by law, the Director of Finance provides a certification relating to the limit at the beginning of each fiscal year and following each issuance of general obligation bonds. The Director of Finance has confirmed that the State was within its legal debt limit on the above issues.

As of June 30, 1985, general obligation bonds authorized but unissued consisted of the following:

	Authorized But Unissued
General Government	$ 9,884,519
Public Safety	28,691,267
Highways	50,172,450
Conservation of Natural Resources	1,992,354
Health	4,336,908
Hospitals	6,754,255
Welfare	141,000
Education	58,710,818
Culture - Recreation	23,903,473
Urban Redevelopment and Housing	15,640,344
Economic Development and Assistance	9,525,972
Airports	461,384
Harbors	4,843,728
	$215,058,479

13. Revenue Bonds And Liabilities Collateralized By HUD Contributions

Enterprise Funds:

At June 30, 1985, revenue bonds payable for Enterprise Funds consisted of the following -

	Current	Noncurrent
Harbor Capital Improvement Revenue Bonds	$ 1,804,878	$ 56,724,064
Harbor System Special Facility Revenue Bonds	-	16,750,000
Airports System Revenue Bonds	20,115,000	371,163,695
Airports System Special Facility Revenue Bonds	220,000	9,810,000
	$22,139,878	$454,447,759

Harbor Capital Improvement Revenue Bonds:

The Harbor Capital Improvement Revenue Bonds are collateralized by a charge and lien on the gross revenues of commercial harbors and upon all improvements and betterments thereto and all funds and securities created in whole or part from revenues or from the proceeds of any bonds issued. The Harbor Capital Improvement Revenue Bonds are subject to redemption at the option of the Director of Transportation and the State of Hawaii during specific years at prices ranging from 102-1/2 to 100.

The following is a summary of the outstanding Harbor Capital Improvement Revenue Bonds at June 30, 1985:

Year of Issue	Final Maturity Date	Interest Rate	Original Amount of Issue	Outstanding
1967	1997	5.200%	$20,000,000	$16,765,000
1978	2008	5.500-6.700	20,000,000	18,800,000
1983	2008	4.750-8.500	23,385,000	23,300,000
			$63,385,000	58,865,000
Less unamortized discount				(336,058)
				58,528,942
Less current portion				(1,804,878)
				$56,724,064

The maturities and sinking fund requirements for revenue bonds in each of the next five years are as follows - $1,835,000 in 1986, $1,930,000 in 1987, $2,040,000 in 1988, $2,145,000 in 1989 and $2,260,000 in 1990. The certificate providing for the issuance of revenue bonds provides for the levying and collection of minimum net revenues to service and provide reserves for maturing debt principal, interest, sinking fund, and replacement and maintenance reserve requirements; and also provides for the maintenance of certain insurance coverage for fire, workers' compensation, and public liability. At June 30, 1985, $9,501,958 was on credit in the revenue bond debt service sinking fund and reserve accounts.

Harbor System Special Facility Revenue Bonds:

The State of Hawaii Legislature in its 1980 session authorized the issuance of special facility revenue bonds for the construction, acquisition, remodeling, furnishing and equipping of State-owned special facilities for lease to parties engaged in maritime operations.

Pursuant to this authorization, $15,700,000 of 8-1/2% special facility revenue bond anticipation notes were issued in 1981 to finance the construction of container terminal facilities on Sand Island for the exclusive use of Matson Terminals, Inc. In 1983, special facility revenue bonds of $16,750,000 were issued to refund the notes and to provide additional funds for construction. These bonds,

which bear interest at 10% per annum, mature on March 1, 2013, subject to optional redemption on or after March 1, 1993 at prices ranging from 103 to 100. Payment of the principal and interest on the bonds has been guaranteed by Matson Navigation Company, Inc., parent company of the lessee.

Airports System Revenue Bonds:

The Airports System Revenue Bonds are payable solely from and collateralized by Airports revenue which includes all aviation fuel taxes levied.

The following is a summary of the outstanding Airports System Revenue Bonds at June 30, 1985:

Series	Interest Rates	Final Maturity Date	Original Amount of Issue	Outstanding
1969	5.90%	1995	$ 40,000,000	$ 22,090,000
1969, second	7.00	1995	45,000,000	25,995,000
1970	6.60 - 7.10	1996	20,000,000	12,320,000
1970, second	7.25	1996	25,000,000	16,025,000
1971	6.25 - 7.25	1997	30,000,000	21,985,000
1971, second	5.30 - 6.30	1997	20,000,000	14,555,000
1972	5.25 - 6.25	1998	25,000,000	18,930,000
1974	8.25 - 9.25	2000	20,000,000	17,100,000
1975	6.10 - 7.50	2001	20,000,000	17,300,000
1977	5.25 - 6.75	2004	20,000,000	17,535,000
1983, refunding	4.75 - 8.88	2008	97,050,000	96,635,000
1983	8.25 - 9.75	2013	50,000,000	50,000,000
1984	9.00 - 10.38	2004	65,000,000	65,000,000
			$477,050,000	395,470,000
Less unamortized discount				(4,191,305)
				391,278,695
Less current portion				(20,115,000)
				$371,163,695

Principal maturities of Airports System Revenue Bonds in each of the next five years are as follows - $20,115,000 in 1986, $13,420,000 in 1987, $14,295,000 in 1988, $15,235,000 in 1989 and $16,245,000 in 1990. The certificate providing for the issuance of revenue bonds provides for the levying and collection of minimum net revenues to service and provide reserves for maturing debt principal, interest, sinking fund, replacement, and maintenance reserve requirements; and also provides for the maintenance of certain insurance coverage for fire, workers' compensation and public liability. At June 30, 1985, $55,670,679 was on credit in the revenue bond debt service sinking fund and reserve account.

Airports System Special Facility Revenue Bonds:

Airports has entered into three special facility lease agreements, one with Pan American World Airways, Inc. in 1972, one with Western Airlines, Inc. in 1975 and another with Northwest Airlines, Inc. in 1983. The construction of the related facilities was financed by special facility revenue bonds issued by Airports in the amounts of $6,800,000, $2,300,000 and $2,200,000, respectively.

Other pertinent information on the aforementioned bonds is summarized hereunder:

$6,800,000 Issue -

These bonds have stated maturity dates of April 1, 1987 and April 1, 2002 for the principal amounts of $500,000 and $6,300,000, respectively. The bonds bear interest at 7-1/2% and 8% per annum, respectively.

The bonds are subject to early redemption after April 1, 1982, at the option of Airports, at prices ranging from 103.5 to 100 plus interest depending on the dates of redemption, or if the facilities are destroyed or damaged extensively at 100 plus interest. The stated maturity of the bonds, including amounts subject to mandatory redemption at par, are as follows:

Maturity Date, April 1	Amount: Bonds With Stated Maturity of April 1, 1987	Amount: Bonds With Stated Maturity of April 1, 2002	Total
1986	$ 65,000	$ 110,000	$ 175,000
1987 - 1991	65,000	1,015,000	1,080,000
1992 - 1996	-	1,605,000	1,605,000
1997 - 2001	-	2,355,000	2,355,000
2002	-	590,000	590,000
	$130,000	$5,675,000	$5,805,000

$2,300,000 Issue -

The bonds are subject to early redemption on and after June 1, 1987, at the option of Airports, at prices ranging from 103 to 100 depending on the dates of redemption, or at 100 plus interest if the facilities are destroyed or damaged extensively.

The bond maturity dates, including amounts subject to mandatory redemption at par and the interest rates thereon, are as follows:

Maturity Date, June 1	Interest Rate	Principal Amount
1986	5.70%	$ 45,000
1987 - 1991	5.80 - 6.20	290,000
1991 - 1996	6.25 - 6.50	420,000
1997 - 2001	6.50	605,000
2002 - 2005	6.50	665,000
		$2,025,000

$2,200,000 Issue -

The bonds have a stated maturity date of November 1, 2002. As of June 30, 1985, the fixed interest rate of the bonds was subject to determination by the Airports at the direction of the lessee. The bonds currently bear interest at an annual rate of 60% of the prime interest rate charged by the Norwest Bank of Minneapolis, the bond trustee, subject to a maximum rate of 20% per annum.

The bonds are subject to early redemption on and after November 1, 1992, at the option of Airports, at a price of 100 plus accrued interest and a premium equal to 1/2% of the principal redeemed for each 12-month period from the date of redemption to the stated maturity date of the bonds, or at 100 plus interest if the facilities are destroyed or damaged extensively.

The following is a summary of Special Facility Revenue Bonds at June 30, 1985:

	$6,800,000 Issue	$2,300,000 Issue	$2,200,000 Issue	Total
Current portion	$ 175,000	$ 45,000	$ -	$ 220,000
Noncurrent portion	5,630,000	1,980,000	2,200,000	9,810,000
	$5,805,000	$2,025,000	$2,200,000	$10,030,000

The special facility leases are accounted for and recorded as direct financing leases. The remaining lease payments to be paid by the lessees (including debt service requirements on the Special Facility Revenue Bonds) are recorded as a restricted asset and the Special Facility Revenue Bonds outstanding are recorded as a liability.

The principal maturities of the Special Facility Revenue Bonds in each of the next five years are as follows - $220,000 in 1986, $230,000 in 1987, $255,000 in 1988, $275,000 in 1989 and $295,000 in 1990.

Hawaii Housing Authority:

At June 30, 1985, liabilities collateralized by HUD annual contributions consisted of the following:

Project notes, bearing interest at the existing rate charged to HUD by the U.S. Treasury (8.07% at June 30, 1985) maturing in February 1986	$ 67,527,454
Federal Financing Bank, due in decreasing annual payments ranging from $1,076,470 in November 1985 to $252,501 in November 2016 and bearing interest at 6.6% for the Hawaii Housing Authority	13,254,863
Housing bonds payable	34,229,000
	$115,011,317

Project notes are refinanced periodically to provide long-term financing on the low-rent programs. Property, rental receipts and HUD's annual contribution are pledged as collateral.

HHA issued housing bonds pursuant to Chapter 356 of the Hawaii Revised Statutes, to provide permanent financing for low income housing projects. The first five issues are callable after 10 years and the remaining issues are callable after 15 years from the date of issue. The housing bonds require annual level debt service payments. HUD's annual contribution for debt service and the excess of project revenues over project expenses are pledged as collateral. Housing bonds payable at June 30, 1985 were:

	Year of Issue	Final Redemption Date	Interest Rate	Original Amount of Issue	Outstanding
Housing bonds - Chapter 356					
1st issue	1950	1991	2.125%	$ 6,050,000	$ 1,409,000
2nd issue	1953	1991	2.375	5,775,000	1,476,000
3rd issue	1955	1996	2.375	1,345,000	543,000
4th issue	1957	1998	3.000	1,195,000	576,000
5th issue	1958	1998	3.500	2,085,000	1,059,000
6th issue	1959	1998	3.500	2,025,000	1,051,000
7th issue	1961	2002	3.125	525,000	315,000
8th issue	1964	2005	3.375	8,235,000	5,575,000
9th issue	1964	2005	3.625	1,600,000	1,105,000
Subtotal carried forward					$13,109,000

	Year of Issue	Final Redemption Date	Interest Rate	Original Amount of Issue	Outstanding
Subtotal brought forward					$13,109,000
10th issue	1965	2006	3.625%	$ 3,355,000	2,425,000
11th issue	1966	2007	3.625	1,805,000	1,330,000
12th issue	1966	2007	4.500	3,605,000	2,725,000
13th issue	1968	2009	5.125	2,855,000	2,365,000
14th issue	1970	2009	5.750	14,595,000	12,275,000
					$34,229,000

In 1979, the State Legislature enacted Act 50 which, as amended, authorized the issuance of up to $875,000,000 of revenue bonds. Through June 30, 1985, $471,000,000 of revenue bonds have been issued. The revenue bonds are payable solely from and collateralized by the revenues and other monies and assets of HHA (comprised principally of investments and mortgage loans receivable aggregating $444,861,000) which are pledged under the indentures.

Bonds are subject to redemption prior to maturity at dates and prices specified in the indenture and are subject to redemption premiums which decline from 4% to 0.5%. The revenue bonds may also be redeemed without premium prior to maturity as funds become available due to undisbursed bond proceeds, prepayments of mortgages, or excess revenues as defined in the indenture. Under the terms of the indenture, HHA has set aside $25,800,000 in cash and investments at June 30, 1985 to provide for interest and principal payments and early redemption of bonds.

At June 30, 1985, such HHA serial and term revenue bonds payable were comprised of the following -

	Year of Issue	Final Redemption Date	Interest Rate	Original Amount of Issue	Outstanding
Single Family Mortgage Purchase Revenue Bonds					
Series A	1980	2010	6.90 - 8.40%	$100,000,000	$ 92,365,000
Series B	1980	2010	6.40 - 9.00	50,000,000	46,800,000
Series A	1982	2001	9.50 - 13.00	60,000,000	15,680,000
Series A	1983	2013	5.25 - 9.50	50,000,000	49,970,000
Series B	1983	2014	6.00 - 10.25	30,000,000	30,000,000
Series C	1983	2013	6.00 - 10.25	61,000,000	61,000,000
Series A	1984	2016	6.60 - 10.50	100,000,000	100,000,000
Home Mortgage Purchase Revenue Bonds					
Series A	1981	1998	10.30 - 13.00	20,000,000	12,505,000
					$408,320,000

Maturities of liabilities collateralized by HUD annual contributions and other HHA revenue bonds payable were as follows -

Year ending June 30 -	Liabilities Collateralized by HUD Contributions	Mortgage Revenue Bonds
1986	$ 69,019,000	$ 9,330,000
1987	1,561,000	5,610,000
1988	1,610,000	6,140,000
1989 -	1,693,000	10,310,000
1990	1,756,000	6,860,000
Thereafter	39,372,317	370,070,000
	$115,011,317	$408,320,000

In August 1985, HHA issued $30,000,000 of Single Family Mortgage Purchase Revenue Bonds, 1985 Series A. Interest rates on the bonds range between 7.4% and 9.25%. Approximately $21,200,000 of the proceeds are intended to be used to purchase mortgage loans bearing an interest rate of 9.7%. In addition, in August 1985, HHA issued $32,000,000 Variable Rate Demand Multifamily Housing Revenue Bonds (Tropicana West Project), 1985 Series A, to be used to provide funds for housing project development.

University Funds:

At June 30, 1985, revenue bonds collateralized by unrestricted current fund revenues were comprised of the following -

	Series	Interest Rate	Outstanding
Student Housing System at Manoa	B,C,D	3.000 - 3.500%	$2,730,000
Faculty Housing Program	A	2.875	337,000
Mauna Kea Mid-level Facility - Institute of Astronomy	E	9.400	3,250,000
			$6,317,000

The Mauna Kea Mid-level facility revenue bonds are further collateralized by separate agreements between the University and two major users of the facility. The agreements provide that these two participants shall pay the University their proportionate share of the principal and interest payments due on the bond indebtedness along with any other cost associated with the bond even though the participants discontinue their involvement with the facility prior to the liquidation of the bond indebtedness.

Total principal and interest payments on these revenue bonds will amount to approximately $210,000 annually to 1995, and in gradually lesser amounts thereafter to 2006 for Series A - D bonds; and $420,000 annually until 1990 and in gradually lesser amounts thereafter until 1998 for Series E bonds. All of the bond obligations of the University Funds have provisions for early redemption at the option of the University Board of Regents. The premium on bond redemption, as a percentage of the bond principal amount redeemed, range from 0.5% - 2.5%.

Revenue Bonds Authorized But Unissued:

As of June 30, 1985, revenue bonds authorized but unissued consisted of the following -

Purpose	Authorized But Unissued
Education - Higher	$ 2,850,000
Urban Redevelopment	615,500,000
Economic Development and Assistance	48,260,000
Airports	61,184,411
Harbors	11,539,487
	$739,333,898

Special Purpose Revenue Bonds:

Hawaii Revised Statutes §39A authorizes the State (with Legislative approval) to issue Special Purpose Revenue Bonds. Proceeds from these bonds are loaned to certain enterprises for projects deemed to be in the public interest. The bonds are not general obligations of the State and are payable solely from monies received by the State under project agreements with the recipients of the bond proceeds. Accordingly, the State has not included these bonds in their financial statements. Bonds outstanding at June 30, 1985, amounted to $296,245,000. Additionally, at June 30, 1985, Special Purpose Revenue Bonds of $162,620,000 were authorized but unissued.

Subsequent to June 30, 1985, the State issued callable Special Purpose Revenue Bonds, Refunding Series 1985A, dated September 1, 1985, amounting to $73,455,000, which bear interest at 5.25% to 9.00% per annum and mature serially through 2012.

14. Changes In General Long-Term Debt

	General Obligation Bonds Payable	Notes Payable	Accrued Vacation Payable	Total
Balance, July 1, 1984	$1,545,521,174	$7,404,674	$60,166,382	$1,613,092,230
Bonds issued	307,435,000	-	-	307,435,000
Payments on notes and bonds	(244,558,723)	(501,609)	-	(245,060,333)
Net increases in accumulated vacation	-	-	3,963,083	3,963,083
Balance, June 30, 1985	$1,608,397,449	$6,903,064	$64,129,465	$1,679,429,979

15. Operating Leases

Enterprise Funds:

Airport-Airline Lease Agreement -

Airports Division of the Department of Transportation, State of Hawaii, has entered into an airport-airline lease agreement with 21 major airline carriers which expires on July 31, 1992. The lease agreement provides to the lessees the nonexclusive right to use the State's airport system facilities, equipment, improvements and services, in addition to occupying certain premises and facilities. In return, the lessees agreed to pay an airport use charge based on a computed rate per 1,000-pound units of approved maximum landing weight for each aircraft used in revenue landings. The current rate is calculated by dividing the excess of estimated airport expenses over estimated airport revenues by the estimated approved maximum landing weight for all the airlines under the agreement for the fiscal year. The interisland airport use charge is set at 20% of the use charge for overseas flights for 1985. This method of computing the use charge is subject to renegotiation in 1987.

The agreement established a prepaid airport use charge fund which would consist of any excess payments of the airport use charge over the amount required (excess of expenses over revenues) for the immediately preceding year. Normally, the amount in this account is used in the computation of the use charge for the first six months of the next fiscal year. Should the amount in this account exceed 10% of the total airport use charge for the year, the airlines may advise disposition for use of such excess toward capital improvement projects, retirement of outstanding bond indebtedness, the major maintenance fund, the additional prepaid airport use charge fund or other purposes. For the year ended June 30, 1985, the excess payments of airport use charge amounted to $1,520,388.

Other Leases -

Airports also leases building spaces and improvements to concessionaires, airline carriers and other airport users. The terms of these leases range from 5 to 15 years for concessions, 10 to 20 years for airline carriers and 5 to 55 years for other airport users. Concessionaire lease rentals are generally based on the greater of a percentage of sales or a basic minimum rent. Percentage rent included in concession fee income for the year ended June 30, 1985 was approximately $24,034,000.

Harbors Division of the Department of Transportation, State of Hawaii, leases land, wharf and building space under month-to-month revocable permits and long-term leases. The long-term leases expire in various years through 2016. These leases generally call for rental increases every ten years based on independent appraisals of the fair rental value of the leased property.

The following schedule approximates future minimum lease rentals on noncancelable operating leases of the enterprise funds as of June 30, 1985:

Year Ending June 30 -	
1986	$ 47,532,000
1987	43,214,000
1988	38,854,000
1989	16,787,000
1990	12,382,000
Thereafter	70,661,000
	$229,430,000

Hawaii Housing Authority:

The Hawaii Housing Authority leases land to developers and home buyers. The leases generally are for 55 years with the last 25 years lease rent negotiated based on the fair market value of the land. Lease rent income for the fiscal year ended June 30, 1985 was approximately $388,000.

The future minimum lease rental income on these operating leases at June 30, 1985, are as follows:

Year Ending June 30 -	
1986	$ 345,000
1987	366,000
1988	389,000
1989	395,000
1990	399,000
Thereafter	21,900,000
	$23,794,000

16. Retirement Benefits

Employees' Retirement System:

All eligible employees of the State and Counties are required by §88 of the Hawaii Revised Statutes to become members of the Employees' Retirement System of the State of Hawaii (System). Prior to June 30, 1984, the plan was only contributory. In 1984 legislation was enacted to create a new noncontributory plan for members of the System who are also covered under Social Security. Police officers, firefighters, judges, elected officials, and persons employed in positions not covered by Social Security were excluded from the noncontributory plan. The noncontributory plan which provides for reduced benefits covers most eligible employees hired after June 30, 1984. Employees hired before that date were given the option of remaining in the contributory plan or joining the new noncontributory plan and receiving a refund of employee made contributions.

The System consists of a Pension Accumulation Fund which provides basic pension benefits and a Post Retirement Fund which provides annual increases to individuals receiving pensions. Employer contributions to both funds are comprised of normal cost plus level annual payments required to liquidate the unfunded accrued liability of both funds. The System uses the frozen initial liability method and the entry age normal cost method for the Pension Accumulation Fund and Post Retirement Fund, respectively, to calculate the unfunded accrued liability for each fund.

Contributions for the year ended June 30, 1985 by the General Fund, Special Revenue Funds, and Proprietary Fund types amounted to approximately $70,906,000, $21,482,000 and $39,690,000, respectively. Contributions by Special Revenue Funds and Proprietary Fund types are made based upon a percentage assessment of actual payroll.

Actuarial valuations are made for the entire System and are not separately computed for the State and each County. The actuarial report does not provide the actuarially computed value of vested benefits. Instead, the following data for the entire System (contributory plan) is provided by the latest available actuarial report dated June 30, 1984.

Net assets available for benefits (Unaudited)	$2,230,530,600
Present value of future employee contributions	756,404,900
Present value of future employer normal cost contributions	1,703,895,500
Unfunded accrued liability	576,077,100
	$5,266,908,100
Present value of benefits to current pensioners and beneficiaries	$1,078,741,700
Present value of future benefits to active employees and inactive members	4,188,166,400
	$5,266,908,100

The actuarial valuation as of June 30, 1984 is based on an assumed investment yield of 7%. Estimated earnings in excess of the assumed rate are used to reduce required contributions.

Of the eligible employees participating in the contributory plan, approximately 45% elected to join the noncontributory plan effective January 1, 1985 and received a refund of all employee made contributions which aggregated approximately $220,000,000 (unaudited). As of March 1985 the noncontributory plan covered approximately 40% of all active members of the Retirement System. No significant change in the State's funding requirements is anticipated as the new contributory retirement plan cost is expected to be approximately the same as that of the contributory plan.

Post Retirement Health Care and Life Insurance Benefits:

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for State retired employees. Contributions are based upon negotiated collective bargaining agreements. State contributions for post retirement benefits which are funded as accrued aggregated $15,700,000 in 1985.

17. Commitments And Contingencies

Accumulated Sick Leave:

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit, but can be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with sixty days or more of unused sick leave is entitled to additional service credit in the Retirement System. Sick leave as of June 30, 1985 was approximately $410,800,000 and has not been accrued in the financial statements.

Deferred Compensation Plan:

In 1983, the State established a deferred compensation plan which enables State employees to defer a portion of their compensation. Deferred compensation payable at June 30, 1985 amounted to approximately $16,569,000.

Intergovernmental Expenditures:

Under Hawaii Revised Statutes §248-6, the State must provide at least $19,448,000 annually in grants-in-aid to the Counties.

Litigation:

The State of Hawaii is party to numerous legal proceedings, many of which normally recur in governmental operations. The Attorney General reported that at June 30, 1985, there were pending claims against the State totaling $851,000,000 in connection with damages for personal injury or death, discrimination, property damage or other damages. These cases are in the pleading, motion, discovery, trial or appeal stage. The average annual expenditure for the settlement of litigation over the previous five years was approximately $4,200,000. The Attorney General has advised that she is unaware of any pending litigation or unasserted claims of such a unique character as to be a significant departure from the State's experience.

Loan Commitments and Guarantee:

In connection with the 1983 Series B, 1983 Series C, and 1984 Series A Bonds, the Hawaii Housing Authority had outstanding commitments to purchase loans from participating lenders of approximately $970,000, $16,688,000, and $76,529,000, respectively, at June 30, 1985.

In addition at June 30, 1985 the Hawaii Housing Authority has outstanding commitments to fund interim construction loans of approximately $8,700,000.

Hawaii Housing Authority has a mortgage loan guarantee of $40,000,000 to the State of Hawaii Employees' Retirement System (the System). HHA has guaranteed that upon the 120th day of delinquency or any default, it will either cure the arrearage of principal and interest or repurchase the delinquent loan. At June 30, 1985, approximately $30,000,000 in mortgage loans had been sold to the System and are covered by the loan guarantee.

Construction And Service Contracts:

As of June 30, 1985, the enterprise funds had commitments of approximately $48,000,000 for construction and service contracts. In addition, the State has entered into an agreement with the United States of America whereby the Federal government will contribute approximately $60,000,000 toward the development of the deep draft harbor at Barbers Point. The State is to share in 4.4% of the Federal cost of the project and is also required to contribute certain proceeds from the sale of dredged material produced by the project. In August 1981, the State acquired the land for the harbor project by condemnation. The property should eventually be transferred to the State Department of Transportation by executive order of the Governor. As of June 30, 1985, the United States Congress had appropriated $57,900,500 for the project, of which $53,395,202 had been expended.

In addition at June 30, 1985 the Hawaii Housing Authority had commitments to expend approximately $4,000,000 on construction and renovation of housing projects.

Insurance Coverage:

The State maintains certain insurance coverage to satisfy bond indenture agreements as well as for other purposes, but is substantially self insured for all other perils including workers' compensation. Expenditures for workers' compensation are appropriated annually and are not considered material.

Patient Compensation Fund:

Prior to May 31, 1984, the State maintained the Patient Compensation Fund (PCF), an expendable trust fund, which offered medical malpractice insurance in excess of a certain basic insurance coverage to certain Hawaii health care providers. PCF received premiums on insurance coverage sold and paid claims against covered health care providers as determined by judgment award or settlement, subject to liability limits of the coverage purchased.

Effective May 31, 1984, legislation was enacted repealing the Fund with no further liabilities accruing to the Fund from actions occurring after termination. The legislation also provided for the payment of claims incurred prior to termination until monies in the Fund were exhausted. The repeal of the Fund is not expected to have a material adverse effect on the State's financial position.

Tax Refund:

The State Constitution, as amended in 1978, provides that, beginning July 1, 1978, whenever the General Fund balance at the close of each two successive fiscal years exceeds five percent of General Fund revenues for each of the two fiscal years, the Legislature, in the next

regular session, must provide for a tax refund or tax credit to the taxpayers of the State. On May 9, 1985, Act 81 was approved providing for a general income tax credit of $1 for each qualified exemption to be deducted from income tax liability for the taxable year 1985. The State estimates the effect of this tax credit will be to reduce income tax revenues by $1,056,000 for the year ending June 30, 1986.

Public Land Trust:

In March 1983, the Legislative Auditor, State of Hawaii, issued a progress report on his findings in connection with a study of the legal and fiscal issues arising from the public land trust (trust lands) provisions of the Admissions Act and the State Constitution and statutes. Under the aforementioned provisions, 20% of the income from such trust lands are to be paid to the Office of Hawaiian Affairs (OHA) to be used for the betterment of the native Hawaiians.

The Legislative Auditor made an examination of the State harbor system and the Honolulu International Airport (the largest airport in Hawaii in terms of acreage and revenue) and identified trust lands. However, because of many unresolved issues concerning the extent, if any, to which airport and harbors income is subject to the 20% requirement and how income is to be defined and determined, no conclusions were reached by the Legislative Auditor. The Legislative Auditor has not completed his study and the ultimate liability, if any, of the Harbors and Airport Enterprise Funds is not determinable at this time.

On September 23, 1983, the Attorney General of the State of Hawaii, in response to an inquiry by the State Director of Transportation as to whether revenues derived from the operation of the State's Airports and Harbors are funds to be included in the "public land trust," responded in the negative. Accordingly, the Attorney General believes that none of the income of the Airports and Harbor Enterprise Funds is subject to the 20% requirement.

On October 28, 1983, two individuals, as native Hawaiians and as representatives of the Hou Hawaiians, filed a complaint in the United States District Court for the District of Hawaii, and named as defendants the State of Hawaii, the State of Hawaii Department of Transportation, among others. The complaint seeks an accounting of all funds derived by the defendants from among others, airports and harbors operations conducted on the lands which are to be held as a public trust. In addition to the accounting, the complaint seeks an order that not less than 20% of the future revenues from such lands be awarded to OHA and Department of Hawaiian Home Lands. The defendants subsequently filed a motion for dismissal on the grounds of jurisdiction. The motion for dismissal was granted on April 12, 1984 and on June 25, 1985 the U.S. Court of Appeals, Ninth Circuit, affirmed the dismissal on appeal. A petition for review has subsequently been filed by the plaintiffs with the U.S. Supreme Court.

On September 26, 1985, the plaintiffs filed a second complaint in the United States District Court for the District of Hawaii. The complaint involves similar issues regarding trust lands and the allocation of a reasonable portion of future revenues from such lands for the benefit of native Hawaiians.

A comparable complaint was filed by the trustees of the Office of Hawaiian Affairs (OHA) in the First Circuit Court of the State of Hawaii. The complaint seeks, among others, 20% of the income and proceeds of the Harbors Division and at least 15.924% of the income from Honolulu International Airport attributable to property identified as trust lands. The defendants subsequently filed a motion for dismissal on grounds of sovereign immunity which was denied on August 9, 1985. The defendants have filed a motion for reconsideration of the issues.

In the opinion of the Attorney General of the State of Hawaii, the outcome of all contingencies and litigation will not have a material adverse effect on the financial position of the Airports, the Harbors, and the State of Hawaii.

Enterprise Fund Lease:

The Airports has been involved in litigation over the use of Hawaiian Home Lands for Airport facilities. In 1981 and 1982, Airports and the State of Hawaii entered into a lease agreement with the Department of Hawaiian Home Lands (DHHL) for certain airport lands owned by DHHL. Under the terms of the agreement, which expires on March 31, 2005, Airports has agreed to pay DHHL an annual rental of $531,216, retroactive to April 1, 1975. The annual rental is subject to redetermination in 1985 and again in 1995 based on fair market rental at time of reopening but not less than the rent for the immediate preceding period. This agreement settled rental issues raised by the litigation, however, other unresolved issues remained pending the acquisition of the lands in question by the Airports.

In November 1984 an agreement was approved by the Department of Land and Natural Resources (DLNR), Department of Hawaiian Home Lands (DHHL) and the Department of Transportation to settle litigation involving the use of Hawaiian Home Lands for Airport facilities. The agreement provided in part for the transfer of the lands in question to Airports in return for which DHHL would receive lands under the control of DLNR. The agreement also provides for the transfer of excess lands under the control of Airports, together with an investment in a U.S. Treasury note to DLNR. DLNR would assume certain liability related to the outstanding retroactive rental payments payable to DHHL. Upon acquisition of the disputed lands by the Department of Transportation the existing lease agreements between the Airports and DHHL will be terminated.

As of June 30, 1985 the settlement agreement has not been fully executed and no determination can be made at this time as to when the settlement agreement will be fully executed. The execution of the settlement agreement will not result in any material cost to Airports.

Under an airlines' settlement agreement dated July 27, 1981, Airports and the State of Hawaii have agreed that in consideration of the direct contribution of $1.5 million by the airlines and the application of $4.5 million of Federal reimbursements credited to the Airport Fund toward final settlement and transfer to the Department of Transporation of DHHL lands located at General Lyman Field, Waimea-Kohala and Molokai Airports, any funds in excess of a $6 million acquisition price would have to be obtained from sources other than the airlines lessees and/or the airport special fund.

Total rental expense for the year ended June 30, 1985, included in Airport operating expenses, consisted of the following:

DHHL lease - current year's rent	$531,216
Other leases	149,671
	$680,887

Future minimum rental payments under the DHHL operating lease at June 30, 1985 are as follows:

	Minimum Rental Payments
Year Ending June 30 -	
1986	$ 531,216
1987	531,216
1988	531,216
1989	531,216
1990	531,216
Thereafter	7,968,240
	$10,624,320

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in other funds.

STATE OF HAWAII

EXHIBIT B-1

BALANCE SHEET - GENERAL FUND
JUNE 30, 1985

ASSETS		
CASH		
Cash and Short-Term Cash Investments		$213,600,426
RECEIVABLES		
Taxes	$ 34,609,240	
Notes	6,756,676	
Other	123,500	
Total Receivables		41,489,416
OTHER ASSETS		
Advances to Special Revenue Funds	357,093	
Advances to State Hospitals Funds	10,397,784	
Due from Other Funds: Enterprise Funds	8,455	
University Funds	533,390	
Temporary Loans to Special Revenue Funds	80,000	
Assets Held by Agents for State Deferred Compensation Plan	16,568,655	
Other	154,675	
Total Other Assets		28,100,053
TOTAL ASSETS		$283,189,896
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Vouchers Payable	$ 21,076,142	
Due to Employees Under State Deferred Compensation Plan	16,568,655	
Due to Other Funds: University Funds	10,103,147	
Debt Service Funds	30,149	
Total Liabilities		$ 47,778,094
FUND EQUITY		
Reserved for:		
Continuing Appropriations: Unallotted Appropriations	3,756,118	
Unencumbered Allotments	5,948,257	
Unliquidated Encumbrances	44,001,652	
	53,706,027	
Receivables and Advances to Other Funds	52,244,294	
Unreserved Fund Balance	129,461,480	
Total Fund Equity		235,411,801
TOTAL LIABILITIES AND FUND EQUITY		$283,189,896

STATE OF HAWAII

EXHIBIT B-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

REVENUES		
Taxes		
General Excise Taxes	$669,530,614	
General Excise Licenses	398,150	
Net Income Tax - Corporations	44,836,680	
Net Income Tax - Individuals	428,722,040	
Inheritance and Estate Tax	12,260,322	
Liquor Permits and Tax	20,634,963	
Public Service Companies Tax	62,305,034	
Public Service Companies Fees	2,543,317	
Tobacco Tax	19,716,688	
Tax on Premium of Insurance Companies	28,705,246	
Franchise Tax (Banks and Other Financial Institutions)	3,880,665	
Other Taxes, Primarily Conveyances Tax	1,862,363	
Total Taxes		$1,295,396,085
Non-Taxes		
Licenses and Fees	3,048,461	
Fines, Forfeits and Penalties	10,036,354	
Interest and Investment Income	54,009,318	
Rentals	4,841,101	
Intergovernmental	10,657,685	
Revenues from Private Sources	2,397,358	
Charges for Current Services	49,089,891	
Accrued Interest on General Obligation Bonds Sold	1,415,586	
Other Revenues	3,366,101	
Total Non-Taxes		138,861,859
Total Revenues		1,434,257,945
OTHER FINANCING SOURCES		
Operating Transfers In from Debt Service Funds		41,195,953
TOTAL REVENUES AND OTHER FINANCING SOURCES		$1,475,453,898

STATE OF HAWAII

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCE - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXPENDITURES		
General Government	$112,426,113	
Public Safety	55,782,521	
Conservation of Natural Resources	15,027,754	
Health	79,989,120	
Welfare	176,541,292	
Lower Education	362,212,986	
Other Education	5,072,874	
Culture - Recreation	21,152,615	
Urban Redevelopment and Housing	10,840	
Economic Development and Assistance	14,013,342	
Intergovernmental	18,173,045	
Social Security, Pension and Health Fund Contributions	174,998,760	
Miscellaneous	8,471,460	
Total Expenditures		$1,043,872,727
OTHER FINANCING USES		
Operating Transfers Out to:		
Special Revenue Funds	199,727	
Debt Service Funds	229,756,596	
University Funds	168,509,639	
State Hospitals Funds	10,612,340	
Hawaii Housing Authority Funds	1,064,539	
Total Other Financing Uses		410,142,843
TOTAL EXPENDITURES AND OTHER FINANCING USES		1,454,015,571
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		21,438,327
OTHER CHANGES IN UNRESERVED FUND BALANCE		
Continuing Appropriations, July 1, 1984	56,666,530	
Continuing Appropriations, June 30, 1985	53,706,027	
Net Change in Continuing Appropriations		2,960,502
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES, AND CHANGES IN UNRESERVED FUND BALANCE		24,398,830
UNRESERVED FUND BALANCE, JULY 1, 1984		105,062,649
UNRESERVED FUND BALANCE, JUNE 30, 1985		$ 129,461,480

STATE OF HAWAII

EXHIBIT B-3

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Budget	Actual on a Budgetary Basis	Variance - Favorable (Unfavorable)
REVENUES			
Taxes			
General Excise Taxes	$ 652,081,000	$ 669,530,614	$ 17,449,614
General Excise Licenses	365,000	398,150	33,150
Net Income Tax - Corporations	29,634,000	44,836,680	15,202,680
Net Income Tax - Individuals	433,876,000	428,722,040	(5,153,959)
Inheritance and Estate Tax	5,605,000	12,260,322	6,655,322
Liquor Permits and Tax	9,385,000	20,634,963	11,249,963
Public Service Companies Tax	67,313,000	62,305,034	(5,007,966)
Public Service Companies Fees	2,600,000	2,543,317	(56,682)
Tobacco Tax	18,412,000	19,716,688	1,304,688
Tax on Premium of Insurance Companies	32,800,000	28,705,246	(4,094,753)
Franchise Tax (Banks and Other Financial Institutions)	2,593,000	3,880,665	1,287,665
Other Taxes, Primarily Conveyances Tax	1,857,000	1,862,363	5,363
Total Taxes	1,256,521,000	1,295,396,085	38,875,085
Non-Taxes			
Licenses and Fees	2,846,101	3,048,461	202,360
Fines, Forfeits and Penalties	9,170,320	10,036,354	866,034
Interest and Investment Income	28,994,100	54,009,318	25,015,218
Rentals	4,465,100	4,841,101	376,001
Intergovernmental	10,630,881	10,657,685	26,804
Revenues from Private Sources	974,955	2,397,358	1,422,403
Charges for Current Services	55,043,690	49,089,891	(5,953,798)
Accrued Interest on General Obligation Bonds Sold	500,000	1,415,586	915,586
Other Revenues	8,242,758	3,366,101	(4,876,656)
Total Revenues	1,377,388,905	1,434,257,945	56,869,040
OTHER FINANCING SOURCES			
Operating Transfers In from Debt Service Funds	42,051,662	41,195,953	(855,708)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$1,419,440,567	$1,475,453,898	$ 56,013,331

STATE OF HAWAII

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Budget	Actual on a Budgetary Basis	Variance - Favorable (Unfavorable)
EXPENDITURES			
General Government	$ 140,773,130	$ 113,235,596	$ 27,537,534
Public Safety	58,126,962	57,325,978	800,983
Conservation of Natural Resources	15,462,779	15,223,950	238,828
Health	83,812,149	81,370,203	2,441,945
Welfare	190,909,663	166,436,533	24,473,129
Lower Education	360,335,261	370,084,438	(9,749,177)
Other Education	5,602,607	5,452,443	150,163
Culture - Recreation	19,734,564	19,513,563	221,000
Urban Redevelopment and Housing	-	46,744	(46,744)
Economic Development and Assistance	14,066,100	13,682,244	383,855
Intergovernmental	19,447,551	18,173,045	1,274,506
Social Security, Pension and Health Fund Contributions	174,599,753	175,024,955	(425,202)
Miscellaneous	8,665,164	8,340,914	324,249
Total Expenditures	1,091,535,684	1,043,910,611	47,625,073
OTHER FINANCING USES			
Operating Transfers Out to:			
Special Revenue Funds	199,727	199,727	-
Debt Service Funds	229,748,311	229,758,912	(10,601)
University Funds	165,241,184	168,821,574	(3,580,390)
State Hospitals Funds	11,058,687	10,612,340	446,347
Hawaii Housing Authority Funds	1,459,015	1,064,539	394,475
Total Other Financing Uses	407,706,924	410,457,094	(2,750,170)
TOTAL EXPENDITURES AND OTHER FINANCING USES	1,499,242,608	1,454,367,705	44,874,903
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (79,802,041)	$ 21,086,193	$ 100,888,234

STATE OF HAWAII

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

Functions of Government	Actual Expenditures	Carryover Appropriations 6/30/84	Carryover Appropriations 6/30/85	Lapses of Prior Appns.	Expenditures Adjusted for Carryover Appns.	Budgeted Appns.	Variance - Favorable (Unfavorable)	Transfers and Other Credits	Lapses of Current Appns.
General Government	$ 112,426,113	$13,511,846	$13,530,430	$ 790,899	$ 113,235,596	$ 140,773,130	$27,537,534	$(24,928,468)	$ 2,609,065
Public Safety	55,782,521	4,148,470	5,440,040	251,887	57,325,978	58,126,962	800,983	2,722,383	3,523,367
Conservation of Natural Resources	15,027,754	1,223,644	1,352,355	67,484	15,223,950	15.462,779	238,828	424,297	663,125
Health	79,989,120	7,463,735	8,379,454	465,362	81,370,203	83,812,149	2,441,945	2,301,642	4,743,588
Welfare	176,541,292	14,337,455	3,628,535	604,161	166,436,533	190,909,663	24,473,129	(982,293)	23,490,836
Lower Education ..	362,212,986	9,000,411	16,406,374	465,489	370,084,438	360,335,261	(9,749,177)	12,937,819	3,188,642
Other Education ..	5,072,874	718,134	987,965	109,737	5,452,443	5,602,607	150,163	253,509	403,672
Culture - Recreation	21,152,615	3,992,538	2,173,589	179,897	19,513,563	19,734,564	221,000	510,764	731,764
Urban Redevelopment and Housing	10,840	-	35,904	-	46,744	-	(46,744)	46,744	-
Economic Development and Assistance ..	14,013,342	1,951,449	1,594,121	26,229	13,682,244	14,066,100	383,855	248,450	632,305
Intergovernmental	18,173,045	-	-	-	18,173,045	19,447,551	1,274,506	-	1,274,506
Social Security, Pension and Health Fund Contributions ..	174,998,760	514	26,710	-	175,024,955	174,599,753	(425,202)	1,092,232	667,029
Miscellaneous	8,471,460	318,327	150,545	37,236	8,340,914	8,665,164	324,249	-	324,249
Total Expenditures	1,043,872,727	56,666,530	53,706,027	2,998,386	1,043,910,611	1,091,535,684	47,625,073	(5,372,919)	42,252,154
Other Financing Uses:									
Operating Transfers Out to Other Funds:									
Special Revenue Funds	199,727	-	-	-	199,727	199,727	-	-	-
Debt Service Funds	229,756,596	-	-	2,316	229,758,912	229,748,311	(10,601)	11,124	522
University Funds	168,509,639	-	-	311,934	168,821,574	165,241,184	(3,580,390)	5,355,845	1,775,454
State Hospitals Funds .	10,612,340	-	-	-	10,612,340	11,058,687	446,347	-	446,347
Hawaii Housing Authority Funds	1,064,539	-	-	-	1,064,539	1,459,015	394,475	5,950	400,425
Total Other Financing Uses	410,142,843	-	-	314,250	410,457,094	407,706,924	(2,750,170)	5,372,919	2,622,748
TOTAL EXPENDITURES AND OTHER FINANCING USES	$1,454,015,571	$56,666,530	$53,706,027	$3,312,637	$1,454,367,705	$1,499,242,608	$44,874,903	$ -	$44,874,903

SUPPLEMENTARY SCHEDULE OF CHANGES IN UNRESERVED FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Obligations	Resources
FUND BALANCE, JULY 1, 1984		$ 105,062,649
Actual Revenues	$ -	1,475,453,898
Appropriations Authorized	1,499,242,608	-
Unrequired Balances of Appropriations Lapsed	-	48,187,540
Totals	1,499,242,608	1,628,704,089
FUND BALANCE, JUNE 30, 1985		$ 129,461,480

DETAILED LIST OF APPROPRIATIONS AUTHORIZED, AND UNREQUIRED BALANCES OF APPROPRIATIONS LAPSED - CLASSIFIED BY LEGISLATIVE ACTS

		Appropriations Authorized	Unrequired Balances Lapsed
Appropriations Authorized by Legislature in Regular Session of 1984 - Effective July 1, 1984			
SL 83 A202	Office of Hawaiian Affairs	$ 554,055	$ -
A291	Court of Appeals	1,603,438	-
	Administrative Director Services	6,165,449	51,086
	Law Library	622,750	-
	Land Court/Tax Court	126,001	-
	Circuit Courts	9,915,254	-
	Family Courts	8,778,039	-
	District Courts	10,836,690	1,067
A301	General Appropriations Act for 1984-1985	1,420,873,998	43,824,208
SL 84 A2	Office of Legislative Auditor	1,322,759	16,267
	Special Studies and Other Requests of the Legislature	150,000	145,000
	State Ethics Commission	156,983	8,163
	Legislative Reference Bureau	1,551,149	170,705
	Office of the Ombudsman	368,674	30,194
A3	Collective Bargaining Cost Items for 1984-1985	10,802,663	1,752
A4	Salary Increases for Excluded Employees for 1984-1985	1,729,467	588
	Salary Increases for Excluded Employees - State Ethics Commission for 1984-1985	956	956
	Salary Increases for Excluded Employees - Legislative Reference Bureau for 1984-1985	7,824	-
	Salary Increases for Excluded Employees - Office of Hawaiian Affairs for 1984-1985	13,123	4,660
A84	1984 Hawaii Statehood Silver Jubilee	200,000	111,591
A160	Sugar Research and Development	2,000,000	-
A177	Hawaii Crime Commission	302,000	15,671

STATE OF HAWAII

SUPPLEMENTARY SCHEDULE OF CHANGES IN UNRESERVED FUND BALANCE - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

		Appropriations Authorized	Unrequired Balances Lapsed
Appropriations Authorized by Legislature in Regular Session of 1984 - Effective July 1, 1984 (Continued)			
SL 84 A186	Public Employees Health Fund Contribution	$ 5,338,842	$ -
A192	Support of Statewide Agricultural Activities	193,000	-
A212	Child Abuse and Neglect Prevention Services	20,000	1,273
A231	Personal Care Services - Social Services and Housing	475,000	377,907
	Personal Care Services - Office of the Governor	25,000	-
A267	State Health Planning and Development Agency	216,000	4,869
A270	Pensioners' Bonus	1,000,000	96,214
A275	Pesticides and Environmental Quality	160,000	12,646
		1,485,509,114	44,874,822
Appropriations Authorized by Legislature in Regular Session of 1985 - Effective Prior to June 30, 1985			
SL 85 A1	Session and Non-session Expenses of the Senate	2,475,524	-
	Session and Non-session Expenses of the House of Representatives	3,213,695	-
A79	Legislative Relief Claims - Overpayment of Taxes	210,360	-
	Legislative Relief Claims - Other than Overpayment of Taxes	5,627,102	-
A210	Criminal Injuries Compensation Fund	386,240	-
A293	1985 Replacement to the Hawaii Revised Statutes	636,900	-
A296	Hawaii Workers' Compensation State Fund	100,000	-
		12,649,821	-
Appropriations Authorized by State Constitution			
	Salaries, Members of the Senate	290,682	-
	Salaries, Members of the House of Representatives	592,991	79
		883,673	79
Special and Continuous Appropriations Authorized by the Hawaii Revised Statutes			
HRS 185-4	Firefighters' Contingency Fund	200,000	-

STATE OF HAWAII

SUPPLEMENTARY SCHEDULE OF CHANGES IN UNRESERVED FUND BALANCE - GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

Unrequired Balance of Appropriations in Force June 30, 1985 - Lapsed	Appropriations Authorized	Unrequired Balances Lapsed
SL 70 A187 Capital Improvements Appropriations of 1970	$ -	$ 49,955
SL 75 A195 General Appropriations of 1975, for 1975-1977	-	174
SL 79 A214 General Appropriations of 1979, for 1979-1981	-	35,070
SpL 81 A1 General Appropriations of 1981, for 1981-1983	-	124,616
SL 82 A1 Office of the Legislative Auditor	-	365
A151 Compensation Claims Adjustments	-	22,729
SL 83 A1 Correction of Prior General Fund Lapse	-	(118,018)
State Ethics Commission	-	3,030
Office of the Legislative Auditor	-	8,337
Legislative Reference Bureau	-	9,003
Office of the Ombudsman	-	34
A202 Office of Hawaiian Affairs	-	179
A212 Tax Review Commission	-	59,652
A291 Court of Appeals	-	585
Administrative Director Services	-	26,237
Law Library	-	3,532
Land Court/Tax Court	-	250
Circuit Courts	-	23,977
Family Courts	-	24,035
District Courts	-	41,127
A301 General Appropriations of 1983, for 1983-1984	-	2,459,126
SL 84 A2 Pre-session, Interim Session and Other Expenses of the Senate - 1984	-	472
Senate Contingency Fund 1984 Session	-	9,260
Pre-session, Interim Session and Other Expenses of the House of Representatives	-	385,097
House of Representatives Contingency Fund 1984 Session	-	14,324
A69 Equipment for Hilo Hospital	-	94,882
A134 Legislative Relief Claims - Other than Overpayment of Taxes	-	27,959
A180 Criminal Injuries Compensation Fund	-	-
HRS 185-4 Firefighters' Contingency Fund	-	6,634
	-	3,312,637
	$1,499,[illegible]42,608	$ 48,187,540

SPECIAL REVENUE FUNDS

The Special Revenue Funds category is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Certain of the major Special Revenue Funds are presented separately in the accompanying financial statements, with the remainder grouped as a single entity.

STATE OF HAWAII

EXHIBIT C-1

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
JUNE 30, 1985

	Highways	Special Land and Development Fund	Farm Loan Revolving Fund	School Food Services	Special Revenue Funds (Others)	Total
ASSETS						
CASH						
Cash and Short-Term Cash Investments	$23,638,695	$1,809,226	$ 9,638,185	$4,327,252	$ 85,716,880	$125,130,240
RECEIVABLES						
Accounts Receivable	-	-	-	-	61,904	61,904
Notes Receivable	-	-	14,653,626	-	50,334,431	64,988,058
	-	-	14,653,626	-	50,396,336	65,049,963
INVESTMENTS	-	-	-	-	2,104,987	2,104,987
OTHER ASSETS	-	-	1,152	-	24,000	25,152
TOTAL ASSETS	$23,638,695	$1,809,226	$24,292,964	$4,327,252	$138,242,205	$192,310,344
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Vouchers Payable	$ 1,467,259	$ 24,287	$ 26,000	$ 866,503	$ 5,479,639	$ 7,863,690
Due to Debt Service Funds	-	-	-	-	116,271	116,271
Advances from General Fund	-	-	-	-	357,093	357,093
Temporary Loan from General Fund	-	-	-	-	80,000	80,000
Total Liabilities	1,467,259	24,287	26,000	866,503	6,033,004	8,417,055
FUND EQUITY						
Reserved for:						
Continuing Appropriations -						
Unallotted Appropriations	1,865,942	-	-	-	21,674,801	23,540,743
Unencumbered Allotments	-	-	-	-	3,775	3,775
Unliquidated Encumbrances	6,935,523	48,120		314,371	12,871,595	20,169,610
	8,801,466	48,120	-	314,371	34,550,171	43,714,129
Receivables	-	-	14,653,626	-	50,396,336	65,049,963
Investments	-	-	-	-	2,104,987	2,104,987
Other Assets	-	-	1,152	-	24,000	25,152
	8,801,466	48,120	14,654,779	314,371	87,075,495	110,894,232
Unreserved Fund Balances	13,369,969	1,736,818	9,612,185	3,146,377	45,133,704	72,999,055
Total Fund Equity	22,171,435	1,784,939	24,266,964	3,460,748	132,209,200	183,893,288
TOTAL LIABILITIES AND FUND EQUITY	$23,638,695	$1,809,226	$24,292,964	$4,327,252	$138,242,205	$192,310,344

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Highways	Special Land and Development Fund	Farm Loan Revolving Fund	School Food Services	Special Revenue Funds (Others)	Total
REVENUES						
Taxes						
General Excise Tax - Highways	$14,099,729	$ -	$ -	$ -	$ -	$ 14,099,729
Liquid Fuel Taxes - Highways	29,773,322	-	-	-	-	29,773,322
Liquid Fuel Taxes - Boating	-	-	-	-	532,498	532,498
Vehicle Registration Fee Tax	659,343	-	-	-	-	659,343
State Vehicle Weight Tax	8,664,279	-	-	-	-	8,664,279
Income Tax Designation for Election Campaign	-	-	-	-	676,434	676,434
Total Taxes	53,196,674	-	-	-	1,208,932	54,405,606
Non-Taxes						
Licenses and Fees	76,858	-	-	-	111,465	188,323
Fines, Forfeits and Penalties	229,467	-	-	-	1,099,773	1,329,241
Interest and Investment Income	327,563	84,465	-	-	8,198,791	8,610,821
Rentals	1,441	793,176	-	-	4,178,603	4,973,221
Intergovernmental	43,273,912	-	-	15,288,016	217,574,931	276,136,859
Revenues from Private Sources	-	-	-	-	352,716	352,716
Charges for Current Services	426,662	414,095	-	9,543,686	34,575,556	44,960,000
Other Revenues	2,214,437	1,398	4,496,000	1,954	5,980,799	12,694,590
Total Non-Taxes	46,550,344	1,293,135	4,496,000	24,833,657	272,072,636	349,245,774
Total Revenues	99,747,018	1,293,135	4,496,000	24,833,657	273,281,568	403,651,381
OTHER FINANCING SOURCES						
Operating Transfers In From:						
General Fund	-	-	250,000	-	(50,272)	199,727
TOTAL REVENUES AND OTHER FINANCING SOURCES	$99,747,018	$1,293,135	$4,746,000	$24,833,657	$273,231,295	$403,851,108

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES - SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Highways	Special Land and Development Fund	Farm Loan Revolving Fund	School Food Services	Special Revenue Funds (Others)	Total
EXPENDITURES						
General Government	$ -	$ -	$ -	$ -	$ 5,131,662	$ 5,131,662
Public Safety	-	-	-	-	24,221,849	24,221,849
Highways	56,449,508	-	-	-	-	56,449,508
Conservation of Natural Resources	-	641,436	1,166,799	-	4,003,166	5,811,402
Health	-	-	-	-	15,904,588	15,904,588
Welfare	-	-	-	-	144,571,089	144,571,089
Lower Education	-	-	-	23,160,950	29,225,876	52,386,826
Other Education	-	-	-	-	3,917,377	3,917,377
Culture - Recreation	-	-	-	-	7,491,095	7,491,095
Urban Redevelopment and Housing	-	-	-	-	6,437,109	6,437,109
Economic Development and Assistance	-	-	-	-	17,409,683	17,409,683
Miscellaneous	-	-	-	-	11,948,463	11,948,463
Total Expenditures	56,449,508	641,436	1,166,799	23,160,950	270,261,961	351,680,656
OTHER FINANCING USES						
Operating Transfers Out To:						
Debt Service Funds	-	-	-	-	194,370	194,370
Capital Projects Funds	35,769,716	-	-	-	-	35,769,716
State Hospitals Funds	-	-	-	-	5,277	5,277
Total Other Financing Uses	35,769,716	-	-	-	199,647	35,969,363
TOTAL EXPENDITURES AND OTHER FINANCING USES	$92,219,224	$ 641,436	$1,166,799	$23,160,950	$270,461,609	$387,650,020

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES - SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Highways	Special Land and Development Fund	Farm Loan Revolving Fund	School Food Services	Special Revenue Funds (Others)	Total
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	$ 7,527,794	$ 651,699	$3,579,201	$ 1,672,706	$ 2,769,686	$ 16,201,087
Net Transfers from (to) Other Special Revenue Funds	70,663	-	-	(56,584)	(14,078)	-
NET EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	7,598,457	651,699	3,579,201	1,616,121	2,755,607	16,201,087
OTHER CHANGES IN UNRESERVED FUND BALANCES						
Continuing Appropriations, July 1, 1984	6,047,547	42,223	-	313,144	40,277,430	46,680,345
Continuing Appropriations, June 30, 1985	8,801,466	48,120	-	314,371	34,550,171	43,714,129
Net Change in Continuing Appropriations	(2,753,918)	(5,897)	-	(1,227)	5,727,259	2,966,216
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES, AND OTHER CHANGES IN UNRESERVED FUND BALANCES	4,844,538	645,802	3,579,201	1,614,894	8,482,867	19,167,304
UNRESERVED FUND BALANCES, JULY 1, 1984	8,525,430	1,091,015	6,032,984	1,531,483	36,650,837	53,831,751
UNRESERVED FUND BALANCES, JUNE 30, 1985	$13,369,969	$1,736,818	$9,612,185	$ 3,146,377	$ 45,133,704	$ 72,999,055

EXHIBIT C-3

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Budget	Actual on a Budgetary Basis	Variance - Favorable (Unfavorable)
REVENUES			
Taxes			
General Excise Tax - Highways	$ 15,603,000	$ 14,099,729	$(1,503,271)
Liquid Fuel Taxes - Highways	28,602,000	29,773,322	1,171,322
Liquid Fuel Taxes - Boating	516,000	532,498	16,498
Vehicle Registration Fee Tax	670,000	659,343	(10,657)
State Vehicle Weight Tax	8,415,000	8,664,279	249,279
Income Tax Designation for Election Campaign	-	676,434	676,434
Total Taxes	53,806,000	54,405,606	599,606
Non-Taxes			
Licenses and Fees	282,090	188,323	(93,766)
Fines, Forfeits and Penalties	888,700	1,329,241	440,541
Interest and Investment Income	5,845,461	8,610,821	2,765,360
Rentals	2,591,000	4,973,221	2,382,221
Intergovernmental	331,723,894	276,136,859	(55,587,034)
Revenues from Private Sources	200,000	352,716	152,716
Charges for Current Services	29,475,474	44,960,000	15,484,526
Other Revenues	3,930,702	12,694,590	8,763,888
Total Non-Taxes	374,937,321	349,245,774	(25,691,546)
Total Revenues	428,743,321	403,651,381	(25,091,939)
OTHER FINANCING SOURCES			
Operating Transfers In From:			
General Fund	-	199,727	199,727
TOTAL REVENUES AND OTHER FINANCING SOURCES	$428,743,321	$403,851,108	$(24,892,212)

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Budget	Actual on a Budgetary Basis	Variance - Favorable (Unfavorable)
EXPENDITURES			
General Government	$ 5,040,024	$ 3,557,637	$ 1,482,386
Public Safety	24,381,154	22,331,609	2,049,544
Highways	52,593,562	51,602,778	990,783
Conservation of Natural Resources	3,901,129	3,181,562	719,566
Health	21,646,156	15,771,831	5,874,324
Welfare	162,276,901	133,759,289	28,517,611
Lower Education	63,755,699	50,053,228	13,702,470
Other Education	3,146,936	3,716,505	(569,569)
Culture - Recreation	8,187,188	6,769,590	1,417,597
Economic Development and Assistance	15,522,741	16,431,492	(908,751)
Miscellaneous	17,516,283	10,028,944	7,487,338
TOTAL EXPENDITURES	377,967,773	317,204,471	60,763,301
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	$ 50,775,548	$ 86,646,636	$ 35,871,088

SCHEDULE OF EXPENDITURES - BUDGETED AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

Functions Of Government	Actual Expenditures	Non-Budgeted Expenditures (Actual)	Budgeted Expenditures (Actual)	Encumbrances	Expenditures Adjusted for Encumbrances	Budgeted Expenditures	Variance - Favorable (Unfavorable)
General Government	$ 5,131,662	$ 1,587,082	$ 3,544,579	$ 13,057	$ 3,557,637	$ 5,040,024	$ 1,482,386
Public Safety	24,221,849	1,961,750	22,260,098	71,510	22,331,609	24,381,154	2,049,544
Highways	56,449,508	8,494,322	47,955,185	3,647,592	51,602,778	52,593,562	990,783
Conservation of Natural Resources	5,811,402	2,831,909	2,979,493	202,068	3,181,562	3,901,129	719,566
Health	15,904,588	2,898,512	13,006,075	2,765,755	15,771,831	21,646,156	5,874,324
Welfare	144,571,089	12,504,512	132,066,577	1,692,712	133,759,289	162,276,901	28,517,611
Lower Education	52,386,826	4,409,196	47,977,630	2,075,598	50,053,228	63,755,699	13,702,470
Other Education	3,917,377	200,872	3,716,505	-	3,716,505	3,146,936	(569,569)
Culture - Recreation	7,491,095	1,669,155	5,821,939	947,651	6,769,590	8,187,188	1,417,597
Urban Redevelopment and Housing	6,437,109	6,437,109	-	-	-	-	-
Economic Development and Assistance	17,409,683	1,474,958	15,934,724	496,767	16,431,492	15,522,741	(908,751)
Miscellaneous	11,948,463	2,117,888	9,830,574	198,369	10,028,944	17,516,283	7,487,338
Other Financing Uses:							
Operating Transfers Out To:							
Debt Service Funds	194,370	194,370	-	-	-	-	-
Capital Projects Funds	35,769,716	35,769,716	-	-	-	-	-
State Hospitals Funds	5,277	5,277	-	-	-	-	-
	$387,650,020	$82,556,635	$305,093,384	$12,111,086	$317,204,471	$377,967,773	$60,763,301

DEBT SERVICE FUNDS

The Debt Service Funds category is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest, including reimbursable general obligation bonds, as well as regular general obligation bonds.

STATE OF HAWAII

EXHIBIT D-1

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
JUNE 30, 1985

		G. O. Bonds Serviced by Other Funds					
ASSETS	General	Airports	Harbors	Parking	University of Hawaii	Hawaii Housing Authority	Total
CASH							
Cash and Short-Term Cash Investments	$ 23,632,489	$ -	$ -	$5,275,000	$ -	$ -	$ 28,907,489
DUE FROM OTHER FUNDS							
Special Revenue Funds	-	-	-	116,271	-	-	116,271
General Fund	30,149	-	-	-	-	-	30,149
Total Due from Other Funds	30,149	-	-	116,271	-	-	146,420
OTHER ASSETS							
Loans for Issued General Obligation Bonds .	162,077,125	41,530,881	19,667,208	4,235,878	28,040,080	-	255,551,174
TOTAL ASSETS	$185,739,764	$41,530,881	$19,667,208	$9,627,150	$28,040,080	$ -	$284,605,084
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Matured Bond Principal Payable	$ 16,686,842	$ -	$ -	$ -	$ -	$ -	$ 16,686,842
Matured Bond Interest Payable	6,945,247	-	-	-	-	-	6,945,247
Premium on Callable Bonds	400	-	-	-	-	-	400
Total Liabilities	23,632,489	-	-	-	-	-	23,632,489
FUND EQUITY							
Reserved for:							
Continuing Appropriations	30,149	-	-	-	-	-	30,149
Bond Redemption	162,077,125	-	-	9,627,150	-	-	171,704,275
Bond Fund Loans to Proprietary Fund Types	-	41,530,881	19,667,208	-	28,040,080	-	89,238,170
Total Fund Equity	162,107,274	41,530,881	19,667,208	9,627,150	28,040,080	-	260,972,595
TOTAL LIABILITIES AND FUND EQUITY	$185,739,764	$41,530,881	$19,667,208	$9,627,150	$28,040,080	$ -	$284,605,084

STATE OF HAWAII

EXHIBIT D-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES - DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

		G. O. Bonds Serviced by Other Funds					
	General	Airports	Harbors	Parking	University of Hawaii	Hawaii Housing Authority	Total
REVENUES							
Contribution from Agencies Participating in Debt Service Requirements	$ 23,285,936	$7,164,945	$3,695,927	$ 563,072	$2,093,892	$ 4,392,178	$ 41,195,953
Interest Income	-	-	-	478,495	-	-	478,495
Total Revenues	23,285,936	7,164,945	3,695,927	1,041,568	2,093,892	4,392,178	41,674,449
OTHER FINANCING SOURCES							
Proceeds of Refunding General Obligation Bonds	157,435,000	-	-	-	-	-	157,435,000
Operating Transfers In from General Fund:							
Appropriation for Debt Service from Act 301, SLH 1983 as amended by Act 285, SLH 1984.	229,759,435	-	-	-	-	-	229,759,435
Less: Unrequired Balance of General Fund Appropriation Lapsed	2,838	-	-	-	-	-	2,838
	229,756,596	-	-	-	-	-	229,756,596
Operating Transfers In from Special Revenue Funds:							
Special Revenue Fund Debt Servicing	-	-	-	194,370	-	-	194,370
Total Operating Transfers In from Other Funds	229,756,596	-	-	194,370	-	-	229,950,967
Total Other Financing Sources	387,191,596	-	-	194,370	-	-	387,385,967
TOTAL REVENUES AND OTHER FINANCING SOURCES	410,477,533	7,164,945	3,695,927	1,235,939	2,093,892	4,392,178	429,060,416
EXPENDITURES							
Payment to Trustee for Bond Redemption	170,415,177	-	-	-	-	-	170,415,177
Redemption of Serial Bonds	105,664,220	-	-	-	-	-	105,664,220
Interest on Bonds	110,849,263	-	-	-	-	-	110,849,263
Fiscal Agents' Fees and Other Expenses	278,486	-	-	-	-	-	278,486
Total Expenditures	387,207,147	-	-	-	-	-	387,207,147
OTHER FINANCING USES							
Operating Transfers Out to General Fund:							
Agencies' Debt Service Contributions on G.O. Bond Debt Service Fully Appropriated from General Fund	23,285,936	7,164,945	3,695,927	563,072	2,093,892	4,392,178	41,195,953
TOTAL EXPENDITURES AND OTHER FINANCING USES	$410,493,084	$7,164,945	$3,695,927	$ 563,072	$2,093,892	$ 4,392,178	$428,403,101

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES -- DEBT SERVICE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

		G. O. Bonds Serviced by Other Funds					
	General	Airports	Harbors	Parking	University of Hawaii	Hawaii Housing Authority	Total
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (15,551)	$ -	$ -	$ 672,866	$ -	$ -	$ 657,315
OTHER CHANGES IN UNRESERVED FUND BALANCES							
Continuing Appropriations Reserved for Bond Redemption, July 1, 1984	45,700	-	-	-	-	-	45,700
Continuing Appropriations Reserved for Bond Redemption, June 30, 1985	30,149	-	-	-	-	-	30,149
Net Change in Continuing Appropriations Reserved for Bond Redemption	15,551	-	-	-	-	-	15,551
Increase in Reserve for Bond Redemption	-	-	-	(672,866)	-	-	(672,866)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES, AND OTHER CHANGES IN UNRESERVED FUND BALANCES	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES, JULY 1, 1984	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES, JUNE 30, 1985	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CAPITAL PROJECTS FUNDS

The Capital Projects Funds category is used to account for the financial resources to be used for the acquisition or construction of major capital facilities. This fund is not used to account for capital projects funded entirely by the General Fund.

STATE OF HAWAII

EXHIBIT E-1

BALANCE SHEET - CAPITAL PROJECTS FUNDS
JUNE 30, 1985

ASSETS			
CASH		$179,506,000	
DUE FROM ENTERPRISE FUNDS		336,385	
TOTAL ASSETS			$ 179,842,385
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Vouchers Payable		$ 15,285,132	
Due to Enterprise Funds		192,785	
Total Liabilities			$ 15,477,917
FUND EQUITY			
Reserved for:			
Continuing Appropriations:	Unallotted Appropriations	280,001,912	
	Unencumbered Allotments	22,744,092	
	Unliquidated Encumbrances	137,748,671	
		440,494,676	
Federal Aid Highway Projects Encumbrances		57,616,014	498,110,690
Unreserved Fund Balance			(333,746,223)
Total Fund Equity			164,364,467
TOTAL LIABILITIES AND FUND EQUITY			$ 179,842,385

STATE OF HAWAII

EXHIBIT E-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

FINANCING SOURCES		
Proceeds of General Obligation Bonds	$150,460,939	
Operating Transfers In from Special Revenue Funds	35,769,716	
TOTAL FINANCING SOURCES		$186,230,655
EXPENDITURES		
General Government	15,612,620	
Public Safety	7,740,250	
Highways	45,540,778	
Conservation of Natural Resources	8,354,526	
Health	3,122,584	
Education: Lower	18,893,957	
Higher	16,397,631	
Culture - Recreation	4,430,150	
Urban Redevelopment and Housing	8,040,560	
Economic Development and Assistance	3,414,664	
Total Expenditures		131,547,724
OTHER FINANCING USES		
Operating Transfers Out To:		
University Funds	15,858	
Hawaii Housing Authority Funds	336,159	
State Hospitals Funds	4,000,995	
Total Other Financing Uses		4,353,012
TOTAL EXPENDITURES AND OTHER FINANCING USES		135,900,736
EXCESS OF SOURCES OVER EXPENDITURES AND OTHER USES		50,329,919
OTHER CHANGES IN UNRESERVED FUND BALANCE		
Continuing Appropriations, July 1, 1984	262,535,613	
Continuing Appropriations, June 30, 1985	440,494,676	(177,959,063)
Increase in Reserve for Federal Aid Highway Projects Encumbrances		(3,378,517)
EXCESS OF EXPENDITURES AND OTHER CHANGES IN UNRESERVED FUND BALANCE OVER SOURCES		(131,007,661)
UNRESERVED FUND BALANCE (DEFICIT), JULY 1, 1984		(202,738,561)
UNRESERVED FUND BALANCE (DEFICIT), JUNE 30, 1985		$(333,746,223)

STATE OF HAWAII

SCHEDULE E-3

CAPITAL PROJECTS FUNDS
SUPPLEMENTARY SCHEDULE OF RECONCILIATION WITH BONDS ISSUED
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Bonds Issued	Appropriations	Transfers	Expenditures		Lapses	Balances
				Prior Years	Current Year		
GENERAL OBLIGATION BONDS							
General Government	$ 241,815,489	$ 270,972,504	$(1,315,150)	$ 184,774,043	$ 15,612,620	$ 19,272,495	$ 49,998,194
Public Safety	82,841,837	117,459,778	358,720	49,087,411	7,740,250	5,926,673	55,064,162
Highways	273,840,081	351,645,060	-	261,759,404	10,558,896	27,632,527	51,694,231
Conservation of Natural Resources	140,566,960	159,489,193	(368,472)	121,403,282	8,354,526	16,929,877	12,433,034
Health	75,227,734	118,428,984	206,280	66,074,007	4,243,421	38,864,340	9,453,494
Hospitals	105,956,922	122,653,907	594,000	100,839,895	2,911,906	9,942,728	9,553,375
Welfare	531,652	672,652	-	356,726	(31,748)	-	347,675
Education: Lower	437,815,801	503,377,296	(986,840)	399,694,946	18,893,957	26,956,707	56,844,844
Higher	356,911,291	398,003,966	1,357,820	328,596,056	16,901,710	21,111,644	32,752,376
Other	5,089,706	5,220,494	-	5,119,206	-	5,787	95,500
Subtotal for Education	799,816,800	906,601,757	370,980	733,410,210	35,795,667	48,074,139	89,692,720
Culture - Recreation	222,380,164	262,180,591	152,500	206,333,736	4,430,150	15,896,953	35,672,250
Urban Redevelopment and Housing	100,969,513	119,673,514	17,000	93,269,389	9,131,935	3,063,656	14,225,532
Economic Development and Assistance	66,940,639	79,578,541	(15,858)	41,149,910	3,414,664	3,111,929	31,886,179
Airports	68,502,510	69,055,434	-	68,796,992	18,578	91,538	148,324
Water Transport and Terminals	47,326,948	52,265,879	-	44,122,464	1,766,597	95,203	6,281,614
Miscellaneous	90,000	90,000	-	90,000	-	-	-
Total General Obligation Bonds	2,226,807,255	2,630,767,799	-	1,971,467,476	103,947,466	188,902,064	366,450,792
REVENUE BONDS							
Health	-	85,320,000	-	-	-	-	85,320,000
Hospitals	-	10,900,000	-	-	-	-	10,900,000
Education, Higher	6,360,000	8,122,714	-	6,308,522	41,623	(1,077,431)	2,850,000
Urban Redevelopment and Housing	471,000,000	1,086,500,000	-	371,000,000	100,000,000	-	615,500,000
Economic Development and Assistance	-	159,372,000	-	-	-	44,712,000	114,660,000
Airports	299,093,454	401,446,085	-	163,422,357	35,202,039	41,192,788	161,628,900
Water Transport and Terminals	43,504,290	61,311,791	-	39,730,411	1,424,763	6,268,014	13,888,601
Total Revenue Bonds	819,957,744	1,812,972,591	-	580,461,291	136,668,426	91,095,371	1,004,747,502
TOTAL ALL BONDS	$3,046,765,000	$4,443,740,391	$ -	$2,551,928,767	$240,615,893	$279,997,436	$1,371,198,294

STATE OF HAWAII

CAPITAL PROJECTS FUNDS
SUPPLEMENTARY SCHEDULE OF RECONCILIATION WITH BONDS ISSUED (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Expenditures Current Year	Balances
Reconciliation with Capital Projects Funds:		
Subtotal brought forward	$240,615,893	$1,371,198,294
Add: Highways Programs	34,981,881	57,616,014
Subtotal	275,597,774	1,428,814,308
Deduct: Airports	35,220,617	161,777,224
Harbors - Commercial	3,191,361	20,170,216
Hawaii Housing Authority	101,091,375	585,887,824
University of Hawaii	545,701	248,351
State Hospitals	4,000,995	-
Special Purpose Revenue Bonds Not Included in Financial Statements	-	162,620,000
	$131,547,724	$ 498,110,690

ENTERPRISE FUNDS

The Enterprise Funds category is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

STATE OF HAWAII

EXHIBIT F-1

COMBINING BALANCE SHEET - ENTERPRISE FUNDS
JUNE 30, 1985

ASSETS	Airports	Harbors	Total
CURRENT ASSETS			
Cash and Short-Term Cash Investments	$ 79,787,368	$ 18,883,173	$ 98,670,541
Investments in U.S. Treasury Notes	-	1,217,110	1,217,110
Receivables:			
Accounts (Net of Allowance for Doubtful Accounts of $2,072,000)	7,911,711	2,527,215	10,438,926
Advances	-	950,000	950,000
Due from Capital Projects Funds	-	192,785	192,785
Interest	2,659,269	330,486	2,989,755
Aviation Fuel Tax	223,001	-	223,001
Claims - Federal Grants	135,571	-	135,571
Inventory of Materials and Supplies, at Cost	162,536	30,605	193,141
Prepaid Expenses	12,947	113,675	126,622
Total Current Assets	90,892,403	24,245,049	115,137,452
RESTRICTED ASSETS			
Cash and Short-Term Cash Investments	154,759,260	11,100,903	165,860,163
Investments:			
U.S. Treasury Notes	32,078,872	9,476,000	41,554,872
Net Direct Financing Leases	10,192,644	16,825,454	27,018,098
Accrued Interest	222,187	-	222,187
Total Restricted Assets	197,252,963	37,402,357	234,655,320
PROPERTY, PLANT AND EQUIPMENT			
Land and Land Improvements	287,131,620	65,194,232	352,325,852
Buildings and Other Improvements	213,039,923	88,367,159	301,407,082
Machinery and Equipment	12,845,545	1,932,015	14,777,560
	513,017,088	155,493,406	668,510,494
Less: Accumulated Depreciation	149,916,043	39,488,333	189,404,376
	363,101,045	116,005,073	479,106,118
Construction in Progress	105,679,821	64,128,148	169,807,969
Net Property, Plant and Equipment	468,780,866	180,133,221	648,914,087
OTHER ASSETS			
Unamortized Bond and Note Issue Costs	3,967,926	1,098,924	5,066,850
TOTAL ASSETS	$760,894,158	$242,879,551	$1,003,773,709

STATE OF HAWAII

COMBINING BALANCE SHEET - ENTERPRISE FUNDS (Continued)
JUNE 30, 1985

LIABILITIES AND FUND EQUITY	Airports	Harbors	Total
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)			
Vouchers and Contracts Payable, Including Retainages	$ 5,802,519	$ 605,817	$ 6,408,336
General Obligation Bonds Payable, Current Portion	3,840,798	-	3,840,798
Due to General Fund	-	3,800	3,800
Other Accrued Liabilities	7,166,263	373,485	7,539,748
Prepaid Airport Use Charge	4,806,886	-	4,806,886
Total Current Liabilities (Payable from Current Assets)	21,616,466	983,102	22,599,568
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)			
Contracts Payable, Including Retainages and Others	3,567,109	843,603	4,410,712
Matured Revenue Bonds and Interest Coupons Payable	15,000	409,131	424,131
General Obligation Bonds Payable, Current Portion	-	2,108,306	2,108,306
Revenue Bonds Payable, Current Portion	20,335,000	1,804,878	22,139,878
Accrued Interest	17,625,051	3,080,489	20,705,540
Due to General Fund	4,655	-	4,655
Due to Capital Projects Funds	336,385	-	336,385
Total Current Liabilities (Payable from Restricted Assets)	41,883,200	8,246,407	50,129,607
LONG-TERM LIABILITIES (NET OF CURRENT PORTION)			
General Obligation Bonds Payable	37,690,081	17,558,902	55,248,983
Revenue Bonds Payable (Net of Unamortized Discount)	380,973,695	73,474,064	454,447,759
Total Long-Term Liabilities	418,663,776	91,032,966	509,696,742
OTHER LIABILITIES	-	773,778	773,778
Total Liabilities	482,163,442	101,036,253	583,199,695
FUND EQUITY			
Contributed Capital: Federal Government Grants	125,296,705	54,701,513	179,998,218
State of Hawaii Grants	3,961,237	18,199,470	22,160,707
Others	7,295,000	334,167	7,629,167
	136,552,942	73,235,150	209,788,092
Less: Accumulated Depreciation	18,702,085	3,687,638	22,389,723
Total Contributed Capital	117,850,857	69,547,512	187,398,369
Retained Earnings: Reserved for Bond Requirements and Other	50,225,098	9,606,958	59,832,056
Unreserved	110,654,761	62,688,828	173,343,589
Total Retained Earnings	160,879,859	72,295,786	233,175,645
Total Fund Equity	278,730,716	141,843,298	420,574,014
TOTAL LIABILITIES AND FUND EQUITY	$760,894,158	$242,879,551	$1,003,773,709

STATE OF HAWAII

EXHIBIT F-2

COMBINING STATEMENT OF REVENUES AND EXPENSES - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Airports	Harbors	Total
OPERATING REVENUES			
Concession Fees	$ 60,180,266	$ -	$ 60,180,266
Airport Use Charge	17,924,291	-	17,924,291
Rentals	12,449,922	9,165,384	21,615,306
Aviation Fuel Tax	5,137,068	-	5,137,068
Services and Others	1,772,970	12,105,039	13,878,009
Total Operating Revenues	97,464,517	21,270,423	118,734,940
OPERATING EXPENSES BEFORE DEPRECIATION			
Personal Services	23,473,821	4,640,005	28,113,826
Repairs and Maintenance	7,278,205	3,592,557	10,870,762
State of Hawaii, Surcharge for Central Services Expenses	3,686,032	704,258	4,390,290
Department of Transportation, Administrative Expenses	1,519,262	576,946	2,096,208
Airports Operations	11,334,751	-	11,334,751
Harbors Operations	-	1,217,654	1,217,654
Fireboat Operations	-	754,446	754,446
General Administrative	-	975,166	975,166
Miscellaneous	554,687	290,014	844,701
Total Operating Expenses Before Depreciation	47,846,758	12,751,046	60,597,804
Operating Income Before Depreciation	49,617,759	8,519,377	58,137,136
DEPRECIATION	15,473,213	2,759,565	18,232,778
Operating Income	34,144,546	5,759,812	39,904,358
NONOPERATING REVENUES (EXPENSES)			
Interest Income	$ 23,377,041	$ 4,737,037	$ 28,114,078
Interest Expense:			
Revenue Bonds	(28,160,171)	(5,456,023)	(33,616,194)
General Obligation Bonds	(2,534,751)	(1,075,471)	(3,610,222)
Amortization of Bond Discount and Note Issue Costs	-	(79,123)	(79,123)
Gain on Early Redemption of Bonds	904,780	-	904,780
Other	-	82,762	82,762
Total Nonoperating Revenues (Expenses)	(6,413,101)	(1,790,818)	(8,203,919)
NET INCOME	$ 27,731,445	$ 3,968,994	$ 31,700,439

STATE OF HAWAII

EXHIBIT F-3

COMBINING STATEMENT OF CHANGES IN FUND EQUITY - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Airports	Harbors	Total
FUND EQUITY, JULY 1, 1984			
Contributed Capital	$116,399,870	$ 59,406,800	$175,806,670
Retained Earnings	129,990,767	67,982,564	197,973,331
	246,390,637	127,389,364	373,780,001
CHANGES IN CONTRIBUTED CAPITAL			
Government Grants	4,608,634	10,223,104	14,831,738
Transfer of Depreciation from Retained Earnings	(3,157,647)	(82,393)	(3,240,040)
	1,450,987	10,140,711	11,591,698
CHANGES IN RETAINED EARNINGS			
Net Income	27,731,445	3,968,994	31,700,439
Transfer of Depreciation to Contributed Capital Account	3,157,647	82,393	3,240,040
Decrease in Valuation Allowance on Investments in Revenue Bond Reserve Account	-	261,835	261,835
	30,889,092	4,313,222	35,202,314
FUND EQUITY, JUNE 30, 1985			
Contributed Capital	117,850,857	69,547,512	187,398,369
Retained Earnings	160,879,859	72,295,786	233,175,645
	$278,730,716	$141,843,298	$420,574,014

STATE OF HAWAII

EXHIBIT F-4

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Airports	Harbors	Total
SOURCES OF WORKING CAPITAL			
Operations:			
Net Income	$ 27,731,445	$ 3,968,994	$ 31,700,439
Items Not Affecting Working Capital -			
Depreciation	15,473,213	2,759,565	18,232,778
Amortization of Bond Discount and Bond and Note Issue Costs	348,530	78,346	426,876
Disposal of Facilities	-	290,014	290,014
Return on Investment in Direct Financing Lease	-	(115,263)	(115,263)
Other	-	9,998	9,998
Working Capital Provided from Operations	43,553,188	6,991,654	50,544,842
Contributed Capital - Government Grants	4,608,634	10,223,104	14,831,738
Revenue Bond Proceeds	65,000,000	-	65,000,000
Net Decrease in Restricted Assets	-	7,149,099	7,149,099
Net Increase in Liabilities Payable from Restricted Assets	3,093,199	132,117	3,225,316
Other	96,276	-	96,276
Total Sources of Working Capital	116,351,297	24,495,974	140,847,271
USES OF WORKING CAPITAL			
Acquisition of Property, Plant and Equipment	51,763,478	17,132,054	68,895,532
Redemptions and Current Maturities of Long-Term Debt	14,725,798	4,536,181	19,261,979
Net Increase in Restricted Assets	43,186,762	-	43,186,762
Bond Discount and Bond and Note Issue Costs	1,564,954	-	1,564,954
Total Uses of Working Capital	111,240,992	21,668,235	132,909,227
NET INCREASE IN WORKING CAPITAL	$ 5,110,305	$ 2,827,739	$ 7,938,044
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL			
Current Assets:			
Cash	$ 8,586,687	$ 2,079,718	$ 10,666,405
Investments in U.S. Treasury Notes	-	1,217,110	1,217,110
Receivables	(6,043,811)	(366,067)	(6,409,878)
Inventory of Materials and Supplies	(3,387)	(3,555)	(6,942)
Prepaid Expenses	3,439	62,731	66,170
Current Liabilities:			
Vouchers and Contracts Payable	(1,679,365)	(216,430)	(1,895,795)
General Obligation Bonds, Current Portion	564,104	-	564,104
Other Accrued Liabilities	203,026	54,232	257,258
Prepaid Airport Use Charge	3,479,612	-	3,479,612
NET INCREASE IN WORKING CAPITAL	$ 5,110,305	$ 2,827,739	$ 7,938,044

HAWAII HOUSING AUTHORITY FUNDS

The Hawaii Housing Authority (HHA) is a division of the Department of Social Services and Housing. The HHA Funds category is used to account for transactions relating to the Authority's rent supplement programs, land reform programs, development and administration of State and Federal rental housing projects, State-financed dwelling sales and issuance of mortgage revenue bonds.

STATE OF HAWAII

EXHIBIT G-1

BALANCE SHEET - HAWAII HOUSING AUTHORITY FUNDS
JUNE 30, 1985

ASSETS

Cash		$ 4,165,655
Investments		49,803,200
Receivables:		
Notes and Loans	$253,690,851	
Interest	10,495,293	
HUD (U.S. Dept. of Housing and Urban Development)	7,165,109	
Other	2,417,144	
		273,768,397
Inventories:		
Dwelling Units	4,452,531	
Land Held for Future Development	22,275,660	
Supplies	281,807	
		27,009,998
Deposits, Prepaid Expenses and Other		3,207,294
Restricted Assets Held by Trustee:		
Cash	40,079,606	
Investments	149,777,563	
		189,857,169
Property, Plant and Equipment:		
Land	30,825,520	
Buildings and Improvements	148,716,102	
Machinery and Equipment	5,041,695	
Construction in Progress	3,857,896	
	188,441,213	
Less: Accumulated Depreciation	54,577,884	
Net Property, Plant and Equipment		133,863,329
Deferred Bond Issuance Costs		9,266,175
TOTAL ASSETS		$690,941,217

STATE OF HAWAII

BALANCE SHEET - HAWAII HOUSING AUTHORITY FUNDS (Continued)
JUNE 30, 1985

LIABILITIES AND FUND EQUITY

LIABILITIES		
Vouchers Payable		$ 659,712
Accrued Expenses:		
Interest	$ 24,396,126	
Other	2,690,465	
		27,086,591
Due to HUD		2,088,163
Security Deposits		3,088,879
Liabilities Collateralized by HUD Contributions		115,011,317
Revenue Bonds Payable		408,320,000
Notes Payable		1,196,569
Other Advances		1,554,479
Deferred Commitment Fees		974,173
Other		2,264,167
Total Liabilities		562,244,050
FUND EQUITY		
Contributed Capital:		
Federal Government Grants	39,190,262	
State of Hawaii Grants	144,016,062	
Other	2,048,455	
	185,254,779	
Less: Accumulated Depreciation	41,059,893	
		144,194,886
Accumulated Deficit		(15,497,719)
Total Fund Equity		128,697,167
TOTAL LIABILITIES AND FUND EQUITY		$690,941,217

STATE OF HAWAII

EXHIBIT G-2

STATEMENT OF REVENUES AND EXPENSES - HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

OPERATING REVENUES		
Interest	$49,322,277	
Sales of Dwelling Units	3,613,875	
Rental	13,306,688	
Commitment Fees	808,591	
Other	1,342,285	
Total Operating Revenues		$ 68,393,716
OPERATING EXPENSES		
Interest	49,630,632	
Cost of Sales - Dwelling Units	2,717,465	
Personnel Services	2,419,390	
Repairs and Maintenance	3,637,342	
Depreciation	5,151,244	
Utilities	5,061,626	
Professional Services	246,979	
Loan Servicing Fee	816,802	
Administration	2,543,700	
Housing Assistance Payments	6,804,946	
Amortization of Bond Issuance Costs	745,983	
Other	5,054,514	
Total Operating Expenses		84,830,623
Operating Loss		(16,436,907)
NONOPERATING REVENUES		
HUD Annual Contributions	13,558,560	
Operating Transfers In From General Fund	1,064,540	
Other	109,306	
Total Nonoperating Revenues		14,732,406
NET LOSS		$(1,704,501)

STATE OF HAWAII

EXHIBIT G-3

STATEMENT OF CHANGES IN FUND EQUITY - HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Contributed Capital	Accumulated Deficit	Total Fund Equity
Balance, July 1, 1984, As Previously Reported	$138,193,291	$(3,502,437)	$134,690,854
Adjustments (Note 4):			
Unrecorded Accumulated Depreciation	-	(14,872,601)	(14,872,601)
HUD Annual Contributions Relating to Payment of Debt Principal	28,288,165	(28,288,165)	-
Other Grants and Contributions Received for Capital Acquisition/Construction	8,189,908	(8,189,908)	-
Transfer of Depreciation on Property and Equipment Acquired or Constructed from Grants and Contributions	(35,983,823)	35,983,823	-
Balance, July 1, 1984, As Restated	138,687,541	(18,869,288)	119,818,253
Net Loss	-	(1,704,501)	(1,704,501)
Transfer in from Capital Projects Funds	336,159	-	336,159
HUD Annual Contributions	9,960,355	-	9,960,355
State of Hawaii and Other Grants	286,901	-	286,901
Transfer of Depreciation	(5,076,070)	5,076,070	-
Balance, June 30, 1985	$144,194,886	$(15,497,719)	$128,697,167

STATE OF HAWAII

EXHIBIT G-4

STATEMENT OF CHANGES IN FINANCIAL POSITION -
HAWAII HOUSING AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

SOURCES OF CASH		
Cash Provided from Operations:		
Net Loss		$ (1,704,501)
Items Not Requiring Use of (Providing) Cash:		
Depreciation	$ 5,151,244	
Increase in Accrued Interest Payable	5,493,329	
Amortization	745,983	
Increase in Accrued Interest Receivable	(4,336,119)	
Increase in Deferred Commitment Fees	158,460	
Loss on Disposal of Property and Equipment	255,357	7,468,254
Cash Provided from Operations		5,763,753
Dispositions of Property, Plant and Equipment (Net)	81,690	
Collections on Notes and Loans Receivable	12,893,429	
Increase in Contributed Capital	10,583,415	
Proceeds from Sale of Revenue Bonds	100,000,000	
Decrease in Dwelling Unit Inventory	100,572	
Increase in Security Deposits	104,469	
Additions to Liabilities Collateralized by HUD Contributions	12,769,900	
Decrease in Land Held for Future Development	550,991	
Other Decreases in Assets	285,813	
Other Increases in Liabilities	1,203,516	138,573,795
Total Sources of Cash		144,337,548
USES OF CASH		
Increase in Assets Held by Trustee	45,779,754	
Increase in Investments	3,632,402	
Increase in Notes and Loans Receivable	52,789,830	
Additions to Property, Plant and Equipment	14,123,260	
Redemption of Bonds	12,760,000	
Increase in Bond Issue Costs	2,506,470	
Increase in HUD Receivable	2,592,062	
Payments of Liabilities Collateralized by HUD Contributions	9,960,355	
Other Decreases in Liabilities	1,158,207	
Other Increases in Assets	604,180	
Total Uses of Cash		145,906,520
Net Decrease in Cash		(1,568,972)
CASH BALANCE, JULY 1, 1984		5,734,627
CASH BALANCE, JUNE 30, 1985		$ 4,165,655

STATE HOSPITALS FUNDS

The State Hospitals Funds category is used to account for all transactions relating to hospitals owned and operated as hospital enterprises by the State of Hawaii.

STATE OF HAWAII

EXHIBIT H-1

COMBINING BALANCE SHEET - STATE HOSPITALS FUNDS
JUNE 30, 1985

ASSETS	Maui Memorial and Hana Medical	Hilo	All Others	Total
UNRESTRICTED FUND				
Current Assets:				
Cash	$ 3,029,374	$ 1,383,601	$ 5,322,223	$ 9,735,198
Accounts Receivable (Net of Allowances)	5,706,449	5,114,036	14,558,507	25,378,992
Other Receivables	-	-	47,915	47,915
Inventories	564,134	487,341	920,535	1,972,010
Prepaid Expenses and Deposits	-	87,484	391,415	478,899
Total Current Assets	9,299,957	7,072,462	21,240,595	37,613,014
Property, Plant and Equipment:				
Land and Land Improvements	212,684	449,704	747,084	1,409,472
Buildings and Other Improvements	12,759,218	6,828,216	25,289,569	44,877,003
Equipment	7,808,761	4,629,087	11,164,632	23,602,480
	20,780,663	11,907,007	37,201,285	69,888,955
Less: Accumulated Depreciation	5,362,420	7,277,762	15,703,519	28,343,701
	15,418,243	4,629,245	21,497,766	41,545,254
Construction in Progress	12,825	35,489,319	5,588,291	41,090,435
Total Property, Plant and Equipment	15,431,068	40,118,564	27,086,057	82,635,689
Total Unrestricted Assets	24,731,025	47,191,026	48,326,652	120,248,703
RESTRICTED FUNDS				
Cash	459,949	2,007,482	424,379	2,891,810
TOTAL ASSETS	$25,190,974	$49,198,508	$ 48,751,031	$123,140,513

STATE OF HAWAII

COMBINING BALANCE SHEET - STATE HOSPITALS FUNDS (Continued)
JUNE 30, 1985

LIABILITIES AND FUND BALANCES	Maui Memorial and Hana Medical	Hilo	All Others	Total
UNRESTRICTED FUND				
Current Liabilities:				
Accounts Payable and Accrued Expenses	$ 688,491	$ 812,392	$ 2,900,610	$ 4,401,493
Accrued Vacation Payable	1,182,872	1,776,350	4,263,847	7,223,069
Other Accrued Liabilities	5,278,951	6,334,394	10,772,727	22,386,072
Custodial Funds and Deposits	-	33,735	154,492	188,227
Advances from the General Fund	2,272,798	1,805,313	6,319,673	10,397,784
Total Current Liabilities	9,423,112	10,762,184	24,411,349	44,596,645
FUND BALANCES				
Restricted	459,949	2,007,482	424,379	2,891,810
Unrestricted	15,307,913	36,428,842	23,915,303	75,652,058
Total Fund Balances	15,767,862	38,436,324	24,339,682	78,543,868
TOTAL LIABILITIES AND FUND BALANCES	$25,190,974	$49,198,508	$48,751,031	$123,140,513

COMBINING STATEMENT OF REVENUES AND EXPENSES -
STATE HOSPITALS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Maui Memorial and Hana Medical	Hilo	All Others	Total
OPERATING REVENUES				
Patients Service Revenue	$20,755,319	$25,155,588	$ 38,500,932	$ 84,411,839
Contractual and Other Allowances, and Adjustments	(2,238,082)	(5,427,862)	(5,293,091)	(12,959,035)
Net Revenue from Services to Patients	18,517,237	19,727,726	33,207,841	71,452,804
Other Operating Revenues	256,420	376,964	400,623	1,034,007
Total Operating Revenues	18,773,657	20,104,690	33,608,464	72,486,811
OPERATING EXPENSES				
Nursing Services	5,369,157	6,208,000	15,505,635	27,082,792
Other Professional Services	5,020,508	5,263,046	5,955,288	16,238,842
General Services	2,555,901	2,772,835	9,991,664	15,320,400
Fiscal and Administrative	5,565,999	7,180,236	8,686,829	21,433,064
Other Services	-	-	117,209	117,209
Depreciation	769,807	623,110	1,688,571	3,081,488
Other	86,840	-	28,745	115,585
Total Operating Expenses	19,368,212	22,047,227	41,973,941	83,389,380
Loss from Operations	(594,555)	(1,942,537)	(8,365,477)	(10,902,569)
NONOPERATING REVENUES (EXPENSES)				
Operating Transfers In from the General Fund	584,087	268,092	9,760,161	10,612,340
Advances Due to the General Fund	-	(268,092)	(55,229)	(323,321)
Donations and Grants	-	13,937	4,928	18,865
Other	-	(123,428)	825,239	701,811
Total Nonoperating Revenues Over (Under) Expenses	584,087	(109,491)	10,535,099	11,009,695
EXCESS OF REVENUES OVER (UNDER) EXPENSES	$(10,468)	$(2,052,028)	$ 2,169,622	$ 107,126

COMBINING STATEMENT OF CHANGES IN FUND BALANCES -
STATE HOSPITALS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Maui Memorial and Hana Medical	Hilo	All Others	Total
UNRESTRICTED FUND				
FUND BALANCE, JULY 1, 1984	$15,564,602	$35,211,089	$19,380,381	$70,156,072
Excess of Revenues Over (Under) Expenses	(10,468)	(2,052,028)	2,169,622	107,126
Building Improvements from Other State Agencies	-	-	616,224	616,224
Transfers In from:				
Special Revenue Funds	-	5,277	-	5,277
Capital Projects Funds	-	2,527,505	1,473,490	4,000,995
Transfers from Restricted Funds	47,759	592,681	367,387	1,007,827
Transfers to Restricted Funds	(293,980)	-	(50,700)	(344,680)
Net Transfer of Equipment from (to) State of Hawaii and Other	-	144,318	(41,101)	103,217
FUND BALANCE, JUNE 30, 1985	$15,307,913	$36,428,842	$23,915,303	$75,652,058
RESTRICTED FUNDS				
FUND BALANCES, JULY 1, 1984	$ 213,728	$ 16,471	$ 734,343	$ 964,542
Restricted Gifts and Bequests	-	16,216	8,932	25,148
Specific Purpose Funds Receipts (Disbursements)	-	2,567,476	(2,209)	2,565,267
Transfers from Unrestricted Fund	293,980	-	50,700	344,680
Transfers to Unrestricted Fund	(47,759)	(592,681)	(367,387)	(1,007,827)
FUND BALANCES, JUNE 30, 1985	$ 459,949	$ 2,007,482	$ 424,379	$ 2,891,810

STATE OF HAWAII

EXHIBIT H-4

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION -
UNRESTRICTED STATE HOSPITALS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Maui Memorial and Hana Medical	Hilo	All Others	Total
SOURCES OF WORKING CAPITAL				
Operations:				
Excess of Revenues Over (Under) Expenses	$(10,468)	$(2,052,028)	$ 2,169,622	$ 107,126
Items not Affecting Working Capital -				
Depreciation	769,807	623,110	1,688,571	3,081,488
Other	-	-	(90,385)	(90,385)
Total Working Capital Provided From (Used in) Operations	759,339	(1,428,918)	3,767,808	3,098,229
Transfers In from Other Funds	-	2,532,782	1,473,490	4,006,272
Transfers from Restricted Funds	47,759	592,681	367,387	1,007,827
Book Value of Equipment Disposed	-	-	8,787	8,787
Other	-	144,318	775,918	920,236
Total Sources of Working Capital	807,098	1,840,863	6,393,390	9,041,351
USES OF WORKING CAPITAL				
Additions to Property, Plant and Equipment	572,758	3,467,644	3,254,218	7,294,620
Transfers to Restricted Funds	293,980	-	50,700	344,680
Other	-	-	200,000	200,000
Total Uses of Working Capital	866,738	3,467,644	3,504,918	7,839,300
NET INCREASE (DECREASE) IN WORKING CAPITAL	$(59,640)	$(1,626,781)	$ 2,888,472	$ 1,202,051

STATE OF HAWAII

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION -
UNRESTRICTED STATE HOSPITALS FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Maui Memorial and Hana Medical	Hilo	All Others	Total
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL				
Current Assets:				
Cash	$(48,778)	$ 695,203	$ 704,132	$ 1,350,557
Accounts Receivable	1,161,637	(785,141)	5,807,476	6,183,972
Other Receivables	-	-	14	14
Inventories	9,372	(21,439)	76,637	64,570
Prepaid Expenses and Deposits	-	(27,928)	(66,854)	(94,782)
Current Liabilities:				
Advances from the General Fund	280,800	(268,092)	(55,229)	(42,521)
Accounts Payable and Accrued Expenses	(27,225)	267,218	(879,624)	(639,631)
Accrued Vacation Payable	(6,850)	(133,923)	(367,062)	(507,835)
Other Accrued Liabilities	(1,428,596)	(1,351,452)	(2,346,503)	(5,126,551)
Custodial Funds and Deposits	-	(1,227)	15,485	14,258
NET INCREASE (DECREASE) IN WORKING CAPITAL	$(59,640)	$(1,626,781)	$ 2,888,472	$ 1,202,051

UNIVERSITY FUNDS

The University Funds category is used to account for all transactions relating to the State of Hawaii's institutions of higher education, all of which comprise the University of Hawaii system.

STATE OF HAWAII

EXHIBIT I-1

COMBINING BALANCE SHEET - UNIVERSITY FUNDS
JUNE 30, 1985

	Current Funds						
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Agency Funds	Plant Funds	Total
ASSETS							
Cash and Short-Term Cash Investments	$26,883,629	$ 1,771,323	$ 1,181,114	$ 1,831,003	$129,246	$ 3,600,425	$ 35,396,740
Receivables:							
Accounts (Net of Allowance for Doubtful Accounts of $160,803)	1,332,233	8,380,750	-	-	44,926	119,195	9,877,104
Notes (Net of Allowance for Doubtful Accounts of $2,380,720)	-	-	13,709,009	-	-	-	13,709,009
Interest and Other	49,174	7,622	4,029	152,975	12,602	-	226,402
Due from Internal University Funds	512,985	70,453	384	-	-	544,439	1,128.261
Due from General Fund	10,103,147	-	-	-	-	-	10,103,147
Investments	250	-	-	11,500,911	-	-	11,501,161
Inventory	4,918,610	67,977	-	-	-	-	4,986,587
Prepaid Expenses	549,287	18,139	-	-	-	-	567,426
Property, Plant and Equipment	-	-	-	-	-	537,704,692	537,704,692
TOTAL ASSETS	$44,349,315	$10,316,264	$14,894,536	$13,484,889	$186,774	$541,968,751	$625,200,529
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Advances from Sponsors	$ -	$ 2,593,126	$ -	$ -	$ -	$ 312,745	$ 2,905,871
Accounts and Other Payables	5,061,172	1,947,945	-	-	97,892	-	7,107,009
Accrued Liabilities	13,966,493	1,721,427	585	-	-	661,339	16,349,844
Due to General Fund	533,390	-	-	-	-	-	533,390
Due to Internal University Funds	544,439	510,048	-	69,043	4,731	-	1,128,261
Installment Contracts Payable	-	-	-	-	-	3,893,660	3,893,660
General Obligation Bonds Payable	-	-	-	-	-	28,040,080	28,040,080
Revenue Bonds Payable	-	-	-	-	-	6,317,000	6,317,000
Deferred Revenue	5,004,893	-	-	-	-	-	5,004,893
Other	4,068,866	75,897	-	-	84,151	-	4,228,914
Total Liabilities	29,179,253	6,848,443	585	69,043	186,774	39,224,824	75,508,922
FUND BALANCES							
U.S. Government Grants Refundable	-	-	9,488,112	-	-	-	9,488,112
University Funds							
Restricted	-	3,467,821	5,405,839	13,415,846	-	502,743,927	525,033,433
Unrestricted	15,170,062	-	-	-	-	-	15,170,062
Total Fund Balances	15,170,062	3,467,821	14,893,951	13,415,846	-	502,743,927	549,691,607
TOTAL LIABILITIES, DEFERRED REVENUE AND FUND BALANCES	$44,349,315	$10,316,264	$14,894,536	$13,484,889	$186,774	$541,968,751	$625,200,529

STATE OF HAWAII

EXHIBIT I-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, INTERFUND TRANSFERS, OPERATING TRANSFERS AND CHANGES IN FUND BALANCES - UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Current Funds			Endowment		
	Unrestricted	Restricted	Loan Funds	Funds	Plant Funds	Total
REVENUES AND OTHER ADDITIONS						
Educational and General Revenues:						
Tuition and Fees	$ 7,530,589	$ 63,767	$ -	$ -	$ -	$ 7,594,356
Federal Appropriations, Grants and Contracts	1,929,775	56,697,426	384,188	-	780,863	59,792,252
Indirect State Support	37,273,396	295,651	40,817	-	-	37,609,864
State and Local Grants and Contracts	14,250	3,153,832	-	-	-	3,168,082
Private Gifts, Grants and Contracts	-	3,588,835	-	209	1,265,850	4,854,894
Sales and Services	4,240,273	324,989	-	-	-	4,565,262
Endowment Income and Others	1,063,404	711,269	-	-	-	1,774,673
Auxiliary Enterprises Revenues	29,578,616	-	-	-	-	29,578,616
Investment Income	-	-	360,580	1,385,306	-	1,745,886
Expended for Plant Facilities	-	-	-	-	11,974,841	11,974,841
Contributions for Plant Facilities	-	-	-	-	44,782,898	44,782,898
Contributions for Debt Retirement	-	-	-	-	660,412	660,412
Decrease in Allowance for Uncollectible Loans	-	-	326,420	-	-	326,420
Other	10,849	291,173	36,649	-	306,235	644,906
Total Revenues and Other Additions	81,641,152	65,126,942	1,148,654	1,385,515	59,771,099	209,073,362
EXPENDITURES AND OTHER DEDUCTIONS						
Educational and General Expenditures:						
Instruction	99,908,486	6,993,857	-	-	-	106,902,343
Research	25,469,929	36,409,465	-	-	-	61,879,394
Public Service	7,738,519	9,361,064	-	-	-	17,099,583
Academic Support	26,376,961	2,111,420	-	-	-	28,488,381
Student Services	12,711,127	2,367,674	-	-	-	15,078,801
Institutional Support	19,393,236	682,251	-	-	-	20,075,487
Operation and Maintenance of Plant	21,911,981	618,025	-	-	-	22,530,006
Scholarship and Fellowship	175,015	5,699,945	-	-	-	5,874,960
Auxiliary Enterprises Expenditures	26,307,348	17,611	-	-	-	26,324,959
Independent Operation Expenditures	1,608,233	574,457	-	-	-	2,182,690
Expenditure for Plant Facilities	-	-	-	-	1,433,075	1,433,075
Loan Cancellations and Write-offs	-	-	332,189	-	-	332,189
Debt Retirement and Interest	-	-	-	-	2,711,896	2,711,896
Disposal of Plant Facilities	-	-	-	-	4,669,073	4,669,073
Indirect Overhead Cost	8,291	-	-	-	-	8,291
Other	54,440	45,223	96,393	16,252	8,398	220,706
Total Expenditures and Other Deductions	$241,663,566	$64,880,992	$ 428,582	$ 16,252	$ 8,822,442	$315,811,834

STATE OF HAWAII

COMBINING STATEMENT OF REVENUES, EXPENDITURES, INTERFUND TRANSFERS,
OPERATING TRANSFERS AND CHANGES IN FUND BALANCES - UNIVERSITY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Current Funds			Endowment		
	Unrestricted	Restricted	Loan Funds	Funds	Plant Funds	Total
UNIVERSITY INTERFUND TRANSFERS IN (OUT)						
Mandatory:						
Principal and Interest	$ (2,448,071)	$ -	$ -	$ -	$ 2,448,071	$ -
Renewals and Replacements	(204,475)	-	-	-	204,475	-
Voluntary:						
Renewals and Replacements	(1,138,598)	-	-	-	1,138,598	-
Endowment Principal	-	(3,811)	-	3,811	-	-
Transfers Between University Funds	(54,342)	54,342	-	-	-	-
Administrative Overhead and Contribution to Loan Fund	(420,125)	152,444	267,681	-	-	-
Total University Interfund Transfers	(4,265,611)	202,975	267,681	3,811	3,791,144	-
OPERATING TRANSFERS						
Operating Transfers In From:						
General Fund	168,509,639	-	-	-	-	168,509,639
Capital Projects Funds	-	-	-	-	15,858	15,858
Total Operating Transfers	168,509,639	-	-	-	15,858	168,525,497
Net Increase in Fund Balances	4,221,614	448,925	987,753	1,373,074	54,755,659	61,787,025
FUND BALANCES, JULY 1, 1984	10,948,448	3,018,896	13,906,198	12,042,772	447,988,268	487,904,582
FUND BALANCES, JUNE 30, 1985	$ 15,170,062	$ 3,467,821	$14,893,951	$13,415,846	$502,743,927	$549,691,607

TRUST AND AGENCY FUNDS

The Trust and Agency Funds category is used to account for assets held by the State of Hawaii in a trustee capacity or as an agent for individuals, private organizations, other governmental units or other funds.

STATE OF HAWAII

EXHIBIT J-1

COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS
JUNE 30, 1985

	Expendable Trust Funds	Agency Funds			Total
		Tax Collections	Employee Benefits	Custodial and Clearance	
ASSETS					
CASH AND SHORT-TERM CASH INVESTMENTS	$161,074,592	$3,105,946	$5,632,470	$137,309,673	$307,122,683
INVESTMENTS					
United States Government Securities	2,219,040	-	-	-	2,219,040
Stocks	118,091	-	-	-	118,091
Total Investments	2,337,131	-	-	-	2,337,131
TOTAL ASSETS	$163,411,723	$3,105,946	$5,632,470	$137,309,673	$309,459,814
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	$ 181,186	$2,790,124	$ -	$ 347,830	$ 3,319,141
Due to Individuals, Businesses and Counties	-	315,822	-	136,961,842	137,277,665
Due to Insurance Carriers and Others	-	-	5,632,470	-	5,632,470
Total Liabilities	181,186	3,105,946	5,632,470	137,309,673	146,229,277
FUND BALANCES					
Reserved For:					
Unemployment Compensation	150,752,959	-	-	-	150,752,959
Medical Malpractice Patient Compensation	561,120	-	-	-	561,120
Other	11,916,457	-	-	-	11,916,457
Total Fund Balances	163,230,537	-	-	-	163,230,537
TOTAL LIABILITIES AND FUND BALANCES	$163,411,723	$3,105,946	$5,632,470	$137,309,673	$309,459,814

STATE OF HAWAII

EXHIBIT J-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCES - EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

REVENUES	
Unemployment Compensation Tax	$ 68,701,454
Interest and Investment Income	15,156,557
Intergovernmental	9,737,431
Donations, Contributions and Deposits	5,599,118
Other	532,207
Total Revenues	99,726,768
EXPENDITURES	
Personal Services	773,361
Unemployment Compensation	77,079,740
Other	5,445,811
Total Expenditures	83,298,913
EXCESS OF REVENUES OVER EXPENDITURES	16,427,855
OTHER CHANGES IN UNRESERVED FUND BALANCES	
Increase in Reserve for Unemployment Compensation and Others	(16,427,855)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER CHANGES IN UNRESERVED FUND BALANCES	-
UNRESERVED FUND BALANCES, JULY 1, 1984	-
UNRESERVED FUND BALANCES, JUNE 30, 1985	$ -

STATE OF HAWAII

EXHIBIT J-3

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Balance July 1, 1984	Additions	Deductions	Balance June 30, 1985
TAX COLLECTIONS				
ASSETS				
Cash	$ 2,882,029	$1,599,398,167	$1,599,174,251	$ 3,105,946
LIABILITIES				
Vouchers Payable	$ 2,502,298	$ 2,790,124	$ 2,502,298	$ 2,790,124
Due to Individuals, Businesses and Counties	379,731	1,599,398,167	1,599,462,077	315,822
TOTAL LIABILITIES	$ 2,882,029	$1,602,188,292	$1,601,964,375	$ 3,105,946
EMPLOYEE BENEFITS				
ASSETS				
Cash	$ 3,163,048	$ 63,021,148	$ 60,551,726	$ 5,632,470
LIABILITIES				
Vouchers Payable	$ 111,606	$ -	$ 111,606	$ -
Due to Insurance Carriers and Others	3,051,442	63,021,148	60,440,120	5,632,470
TOTAL LIABILITIES	$ 3,163,048	$ 63,021,148	$ 60,551,726	$ 5,632,470
CUSTODIAL AND CLEARANCE				
ASSETS				
Cash	$124,022,788	$ 924,545,146	$ 911,258,261	$137,309,673
LIABILITIES				
Vouchers Payable	$ 246,394	$ 347,830	$ 246,394	$ 347,830
Due to Individuals, Businesses and Counties	123,776,393	924,545,146	911,359,697	136,961,842
TOTAL LIABILITIES	$124,022,788	$ 924,892,977	$ 911,606,092	$137,309,673
TOTAL - AGENCY FUNDS				
ASSETS				
Cash	$130,067,867	$2,586,964,463	$2,570,984,239	$146,048,090
LIABILITIES				
Vouchers Payable	$ 2,860,299	$ 3,137,954	$ 2,860,299	$ 3,137,954
Due to Individuals, Businesses and Counties	124,156,124	2,523,943,314	2,510,821,774	137,277,665
Due to Insurance Carriers and Others	3,051,442	63,021,148	60,440,120	5,632,470
TOTAL LIABILITIES	$130,067,867	$2,590,102,418	$2,574,122,194	$146,048,090

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets of the State of Hawaii, excluding those in the custody of Enterprise Funds (Airports and Harbors), Hawaii Housing Authority Funds, State Hospitals Funds, and University Funds.

STATE OF HAWAII

SCHEDULE K-1

SCHEDULE OF GENERAL FIXED ASSETS (UNAUDITED) (NOTE 3)
JUNE 30, 1985

GENERAL FIXED ASSETS	
Land	$ 328,256,237
Buildings and Improvements	610,952,024
Equipment	254,744,812
Construction in Progress	85,256,472
TOTAL GENERAL FIXED ASSETS	$1,279,209,545
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	$1,279,209,545

STATE OF HAWAII

SCHEDULE K-2

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS (UNAUDITED) (NOTE 3)
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	Land	Buildings And Improvements	Equipment	Total
BALANCE, JULY 1, 1984, AS PREVIOUSLY REPORTED	$328,151,740	$688,688,336	$236,593,805	$1,253,433,881
ADJUSTMENT TO REMOVE BUILDING OWNED BY COUNTY GOVERNMENTS	-	94,284,736	-	94,284,736
BALANCE, JULY 1, 1984, AS RESTATED	328,151,740	594,403,600	236,593,805	1,159,149,145
ADDITIONS	287,327	17,089,820	23,271,949	40,649,096
DEDUCTIONS	182,830	541,396	5,120,942	5,845,168
	$328,256,237	$610,952,024	$254,744,812	1,193,953,073
CONSTRUCTION IN PROGRESS, JUNE 30, 1985				85,256,472
BALANCE, JUNE 30, 1985				$1,279,209,545

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group is used to account for all long-term debt of the State of Hawaii, including reimbursable general obligation bonds (other than proprietary fund types) and regular general obligation bonds.

STATE OF HAWAII

SCHEDULE L-1

SCHEDULE OF GENERAL LONG-TERM DEBT
JUNE 30, 1985

AMOUNT AVAILABLE IN DEBT SERVICE FUNDS		$ 171,734,424
AMOUNT TO BE PROVIDED		
Retirement of: General Obligation Bonds	$1,436,663,024	
Notes Payable	6,903,064	
Accrued Vacation Payable	64,129,465	
Total Amount to be Provided		1,507,695,555
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED		$1,679,429,979
BONDS PAYABLE		
General Obligation Bonds		$1,608,397,449
NOTES PAYABLE		
Loan payable to Hawaii Housing Authority, for Hawaiian Home Lands Projects	$3,743,455	
Loan payable to Federal Government for Molokai Water and Land Utilization Project	3,159,609	
Total Notes Payable		6,903,064
ACCRUED VACATION PAYABLE		64,129,465
TOTAL GENERAL LONG-TERM DEBT		$1,679,429,979

STATE OF HAWAII

SCHEDULE L-2

SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	General Obligation Bonds Payable	Notes Payable	Accrued Vacation Payable	Total
BALANCE, JULY 1, 1984	$1,545,521,173	$7,404,674	$60,166,382	$1,613,092,229
ADD: Bonds Issued, Fiscal Year 1985	307,435,000	-	-	307,435,000
Net Increase in Accrued Vacation Payable	-	-	3,963,083	3,963,083
	1,852,956,173	7,404,674	64,129,465	1,924,490,313
LESS: Bonds Retired, Fiscal Year 1985	98,728,723	-	-	98,728,723
Bonds Refunded by General Obligation Refunding Bonds of 1985	145,830,000	-	-	145,830,000
Retirement of Notes Payable	-	501,609	-	501,609
BALANCE, JUNE 30, 1985	$1,608,397,449	$6,903,064	$64,129,465	$1,679,429,979

PART III: STATISTICAL SECTION

STATE OF HAWAII

SCHEDULE M-1

SCHEDULE OF REVENUES BY SOURCE - ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(Expressed in Millions)

Source	For the Fiscal Year Ended June 30, 1985	1984	1983	1982	1981	1980	1979	1978	1977	1976
Taxes										
General Excise	$ 684.0	$ 639.6	$ 601.5	$ 577.3	$ 549.3	$ 498.7	$ 430.8	$ 367.7	$ 341.3	$ 309.9
Income	473.6	438.8	371.4	322.0	381.4	353.8	296.8	251.1	225.8	217.8
Public Service Companies	64.9	62.2	68.9	58.7	51.7	33.2	35.2	34.6	32.2	29.4
Liquid Fuel	30.3	29.6	28.9	28.3	28.8	34.8	35.2	33.8	32.8	30.9
Insurance Companies Premium	28.7	27.0	27.1	27.2	24.0	22.2	18.5	15.7	13.3	16.1
Tobacco	19.7	19.9	17.6	14.0	13.8	12.8	11.9	11.0	10.3	9.6
Liquor	20.6	(.2)	9.3	7.7	7.0	13.0	20.4	18.0	16.2	15.0
Motor Vehicle	9.3	9.1	8.7	8.3	8.3	8.3	8.0	6.9	-	-
Inheritance and Estate	12.3	6.7	6.4	5.1	4.6	4.3	4.1	4.0	4.1	3.2
Franchise	3.9	.5	(2.4)	3.9	5.8	7.8	7.6	5.2	4.9	2.5
Other	2.5	2.2	1.6	1.8	2.3	2.3	1.9	1.3	.9	.8
TOTAL TAXES	1,349.8	1,235.4	1,139.0	1,054.3	1,077.0	991.2	870.4	749.3	681.8	635.2
Interest and Investment Income	63.1	51.8	78.2	91.6	77.9	69.5	40.9	22.4	19.5	32.1
Charges for Current Services	94.1	89.8	73.0	78.0	110.4	174.6	169.7	153.8	134.5	113.2
Intergovernmental	286.8	311.1	334.9	317.3	390.1	374.8	337.7	376.4	330.8	290.7
Rentals	9.8	10.1	22.9	21.1	20.5	17.5	3.9	3.9	2.9	3.4
Fines, Forfeits and Penalties	11.4	9.5	9.2	8.0	7.2	6.0	5.7	4.9	4.2	4.8
Licenses and Fees	3.2	3.7	2.9	2.9	2.7	2.7	2.3	2.3	2.0	2.0
Repayment of Principal and Interest on General Obligation Bonds by Other Civil Divisions and State Agencies	41.2	40.1	40.0	37.7	36.3	35.2	34.8	31.9	31.5	13.5
Other	20.2	20.2	53.8	57.7	79.1	56.3	72.8	71.9	85.4	105.8
TOTAL REVENUES - ALL GOVERNMENTAL FUND TYPES	$1,879.6	$1,771.7	$1,753.9	$1,668.6	$1,801.2	$1,727.8	$1,538.2	$1,416.8	$1,292.6	$1,200.7

The following reclassifications were made in conformity with generally accepted accounting principles:

a. Effective with the fiscal year ended June 30, 1981, the Airports and Harbors systems were reclassified as Enterprise Funds.
b. Effective with the fiscal year ended June 30, 1982, the State Hospitals and University system were reclassified as State Hospitals Funds and University Funds, respectively.
c. Effective with the fiscal year ended June 30, 1984, the Hawaii Housing Authority was reclassified as the Hawaii Housing Authority Funds.

Prior to these reclassifications, the revenues of these Proprietary Fund Types were reported within the various revenue sources of the Governmental Fund Types. The prior years have not been restated to reflect these reclassifications.

STATE OF HAWAII

SCHEDULE M-2

SCHEDULE OF EXPENDITURES BY FUNCTION - ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(Expressed in Millions)

Function	For the Fiscal Year Ended June 30, 1985	1984	1983	1982	1981	1980	1979	1978	1977	1976
General Government	$ 133.2	$ 116.2	$ 118.9	$ 136.2	$ 108.8	$ 78.7	$ 75.8	$ 63.0	$ 59.5	$ 59.6
Public Safety	87.7	77.8	75.1	65.1	59.9	52.5	52.8	88.2	70.1	50.3
Highways	102.0	135.7	138.6	110.2	114.9	119.2	116.0	85.9	98.1	103.2
Conservation of Natural Resources	29.2	26.5	37.2	25.8	27.9	34.1	23.3	29.5	27.9	28.3
Health	99.0	93.2	96.3	92.1	132.0	125.7	127.2	112.6	118.3	100.0
Welfare	321.1	325.8	328.3	317.2	297.8	253.4	243.8	241.8	203.6	168.1
Education	458.9	448.5	459.9	415.1	616.1	561.6	505.0	481.0	484.9	437.0
Culture - Recreation	33.1	33.9	39.8	31.6	44.8	39.7	31.1	27.3	47.8	37.2
Urban Redevelopment and Housing	14.5	9.2	154.3	84.2	174.9	101.2	48.7	50.8	45.8	78.5
Economic Development and Assistance	34.8	31.8	37.9	36.4	36.0	39.0	38.3	39.5	40.3	40.6
Airports	-	-	-	-	-	68.2	65.3	49.2	54.4	94.0
Water Transport and Terminals	-	-	-	-	-	23.3	21.3	22.0	16.2	14.1
Debt Service	387.2	210.5	259.9	188.6	179.8	174.8	165.6	141.2	131.5	92.5
Intergovernmental	18.2	18.2	18.2	18.3	18.2	18.2	20.7	22.3	21.6	18.2
Social Security, Pension and Health Fund Contributions	175.0	150.9	144.6	114.6	94.3	78.1	75.8	78.6	61.1	55.6
Miscellaneous	20.4	23.5	13.8	12.7	12.5	7.4	8.0	15.8	8.2	10.7
TOTAL EXPENDITURES - ALL GOVERNMENTAL FUND TYPES	$1,914.3	$1,701.7	$1,922.8	$1,648.1	$1,917.9	$1,775.1	$1,618.7	$1,548.7	$1,489.3	$1,387.9

The following reclassifications were made in conformity with generally accepted accounting principles:

a. Effective with the fiscal year ended June 30, 1981, the Airports and Harbors systems were reclassified as Enterprise Funds.
b. Effective with the fiscal year ended June 30, 1982, the State Hospitals and University system were reclassified as State Hospitals Funds and University Funds, respectively.
c. Effective with the fiscal year ended June 30, 1984, the Hawaii Housing Authority was reclassified as the Hawaii Housing Authority Funds.

Prior to these reclassifications, the expenditures of these Proprietary Fund Types were reported within the various expenditure functions of the Governmental Fund Types. The prior years have not been restated to reflect these reclassifications.

STATE OF HAWAII

SCHEDULE M-3

SCHEDULE OF RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST NINE FISCAL YEARS

Fiscal Year	(Expressed in Thousands) Principal	Interest and Fees	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures (Percent)
1985	$105,664	$111,128	$216,792 (1)	$1,743,893 (1)	12.43%
1984	98,726	111,805	210,531	1,701,726	12.37
1983	141,868	118,082	259,950	1,922,847	13.52
1982	93,798	94,786	188,584	1,648,147	11.44
1981	87,906	91,930	179,836	1,917,946	9.38
1980	83,055	91,703	174,758	1,775,086	9.84
1979	76,040	89,547	165,587	1,618,670	10.23
1978	59,994	81,167	141,161	1,548,718	9.11
1977	56,708	74,757	131,465	1,489,315	8.83

(1) Excludes $170,415,177 payment made to trustee for refunded General Obligation Bonds Series AS dated November 1, 1981 and Series AT dated June 1, 1982.

STATE OF HAWAII

SCHEDULE M-4

SCHEDULE OF GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	(Expressed in Thousands) Population (1)	Total Outstanding State General Obligation Debt (2)	State General Obligation Debt Per Capita
1985	1,056	$1,608,397	$1,523
1984	1,039	1,545,521	1,488
1983	1,023	1,486,880	1,453
1982	997	1,353,791	1,358
1981	981	1,215,824	1,239
1980	969	1,295,184	1,337
1979	950	1,221,786	1,286
1978	929	1,220,190	1,313
1977	916	1,047,299	1,143
1976	902	946,638	1,049

(1) Source: Department of Planning and Economic Development, State of Hawaii.

(2) Source: Accounting Division, Department of Accounting and General Services.

STATE OF HAWAII

SCHEDULE M-5

GENERAL OBLIGATION BONDS
SCHEDULE OF CHANGES IN LONG-TERM BONDED INDEBTEDNESS
LAST THREE FISCAL YEARS

BONDED INDEBTEDNESS, GENERAL OBLIGATION BONDS, JUNE 30, 1982		$1,464,486,784
Less:	General Obligation Bonds Matured during the Fiscal Year Ended June 30, 1983	99,136,250
		1,365,350,534
Add:	General Obligation Bonds Issued, October 1, 1982	75,000,000
	General Obligation Bonds Issued, March 1, 1983	75,000,000
	General Obligation Bonds Issued, June 1, 1983	75,000,000
BONDED INDEBTEDNESS, GENERAL OBLIGATION BONDS, JUNE 30, 1983		1,590,350,534
Less:	General Obligation Bonds Matured during the Fiscal Year Ended June 30, 1984	98,655,694
		1,491,694,840
Add:	General Obligation Bonds Issued, October 1, 1983	75,000,000
	General Obligation Bonds Issued, April 1, 1984	75,000,000
BONDED INDEBTEDNESS, GENERAL OBLIGATION BONDS, JUNE 30, 1984		1,641,694,840
Less:	General Obligation Bonds Matured during the Fiscal Year Ended June 30, 1985	105,664,220
	General Obligation Bonds, Series AS, November 1, 1981, refunded by General Obligation Refunding Bonds of 1985, Series BA, March 1, 1985	70,830,000
	General Obligation Bonds, Series AT, June 1, 1982, refunded by General Obligation Refunding Bonds of 1985, Series BA, March 1, 1985	75,000,000
		1,390,200,620
Add:	General Obligation Bonds Issued, October 1, 1984	75,000,000
	General Obligation Bonds Issued, March 1, 1985	157,435,000
	General Obligation Bonds Issued, June 1, 1985	75,000,000
BONDED INDEBTEDNESS, GENERAL OBLIGATION BONDS, JUNE 30, 1985		$1,697,635,620

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
November 1, 1963	3.40%	May & November 1, 1973/84	$ 2,640,000	$ 880,000	$ ---
November 1, 1963	3.50%	May & November 1, 1985/88	7,040,000	7,040,000	6,160,000
May 15, 1964	3.25%	May 15, 1974/84	835,000	---	---
October 15, 1964	3.25%	October 15, 1975/84	1,670,000	835,000	---
May 1, 1965	3.20%	May 1, 1981/85	2,000,000	1,000,000	---
December 1, 1965	3.50%	December 1, 1982/85	2,340,000	1,560,000	780,000
June 1, 1966	3.90%	June 1, 1984/86	1,665,000	1,110,000	555,000
May 15, 1967	3.90%	May 15, 1982/84	1,110,000	---	---
May 15, 1967	4.00%	May 15, 1985/87	3,330,000	3,330,000	2,220,000
September 1, 1967	4.10%	September 1, 1983/87	2,250,000	1,800,000	1,350,000
November 1, 1967	4.30%	November 1, 1973/86	3,330,000	2,220,000	1,110,000
November 1, 1967	4.35%	November 1, 1986/87	2,220,000	2,220,000	2,220,000
March 1, 1968	4.40%	March 1, 1975/85	3,330,000	1,665,000	---
March 1, 1968	4.50%	March 1, 1986/88	4,995,000	4,995,000	4,995,000
September 1, 1968	4.25%	September 1, 1981/86	8,440,000	6,330,000	4,220,000
September 1, 1968	4.35%	September 1, 1987/88	4,220,000	4,220,000	4,220,000
March 1, 1969	5.00%	March 1, 1982/84	1,665,000	---	---
March 1, 1969	5.10%	March 1, 1985/86	3,330,000	3,330,000	1,665,000
March 1, 1969	5.20%	March 1, 1987/89	4,995,000	4,995,000	4,995,000
May 1, 1969	5.00%	January & July 1, 1981/84	1,595,000	545,000	---
September 1, 1969	3.00%	September 1, 1972/89	1,505,000	1,290,000	1,075,000
April 1, 1970	6.10%	April 1, 1984	1,665,000	---	---
April 1, 1970	6.20%	April 1, 1985	1,665,000	1,665,000	---
April 1, 1970	6.30%	April 1, 1986	1,665,000	1,665,000	1,665,000
April 1, 1970	6.40%	April 1, 1987/88	3,330,000	3,330,000	3,330,000
April 1, 1970	5.50%	April 1, 1989/90	3,330,000	3,330,000	3,330,000
October 1, 1970	6.00%	October 1, 1983	3,055,000	---	---
October 1, 1970	6.10%	October 1, 1984	3,055,000	3,055,000	---
October 1, 1970	6.20%	October 1, 1985	3,055,000	3,055,000	3,055,000
October 1, 1970	6.30%	October 1, 1986	3,055,000	3,055,000	3,055,000
October 1, 1970	6.40%	October 1, 1987	3,055,000	3,055,000	3,055,000
October 1, 1970	6.50%	October 1, 1988	3,055,000	3,055,000	3,055,000
October 1, 1970	5.50%	October 1, 1989/90	6,110,000	6,110,000	6,110,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
March 1, 1971	4.60%	March 1, 1984	$ 3,055,000	$ ---	$ ---
March 1, 1971	4.70%	March 1, 1985	3,055,000	3,055,000	---
March 1, 1971	4.80%	March 1, 1986	3,055,000	3,055,000	3,055,000
March 1, 1971	4.90%	March 1, 1987	3,055,000	3,055,000	3,055,000
March 1, 1971	5.00%	March 1, 1988/89	6,110,000	6,110,000	6,110,000
March 1, 1971	4.00%	March 1, 1990/91	6,110,000	6,110,000	6,110,000
September 1, 1971	4.80%	September 1, 1983	3,055,000	---	---
September 1, 1971	4.90%	September 1, 1984	3,055,000	3,055,000	---
September 1, 1971	5.00%	September 1, 1985/86	6,110,000	6,110,000	6,110,000
September 1, 1971	5.10%	September 1, 1987/88	6,110,000	6,110,000	6,110,000
September 1, 1971	5.00%	September 1, 1989	3,055,000	3,055,000	3,055,000
September 1, 1971	4.25%	September 1, 1990/91	6,110,000	6,110,000	6,110,000
February 1, 1972	4.60%	February 1, 1984	3,055,000	---	---
February 1, 1972	4.75%	February 1, 1985	3,055,000	3,055,000	---
February 1, 1972	4.80%	February 1, 1986	3,055,000	3,055,000	3,055,000
February 1, 1972	5.00%	February 1, 1987/90	12,220,000	12,220,000	12,220,000
February 1, 1972	4.25%	February 1, 1991/92	6,110,000	6,110,000	6,110,000
August 1, 1972	5.00%	August 1, 1975/92	1,160,000	1,070,000	975,000
August 1, 1972	4.00%	August 1, 1993/2007	3,380,000	3,380,000	3,380,000
August 1, 1972	5.00%	August 1, 1980/86	12,220,000	9,165,000	6,110,000
August 1, 1972	5.10%	August 1, 1987	3,055,000	3,055,000	3,055,000
August 1, 1972	5.20%	August 1, 1988	3,055,000	3,055,000	3,055,000
August 1, 1972	5.25%	August 1, 1989/90	6,110,000	6,110,000	6,110,000
August 1, 1972	5.40%	August 1, 1991	3,055,000	3,055,000	3,055,000
August 1, 1972	5.00%	August 1, 1992	3,055,000	3,055,000	3,055,000
February 1, 1973	4.50%	February 1, 1984	3,055,000	---	---
February 1, 1973	4.60%	February 1, 1985	3,055,000	3,055,000	---
February 1, 1973	4.70%	February 1, 1986	3,055,000	3,055,000	3,055,000
February 1, 1973	4.80%	February 1, 1987/88	6,110,000	6,110,000	6,110,000
February 1, 1973	4.90%	February 1, 1988/90	6,110,000	6,110,000	6,110,000
February 1, 1973	5.00%	February 1, 1991/92	6,110,000	6,110,000	6,110,000
February 1, 1973	4.00%	February 1, 1993	3,055,000	3,055,000	3,055,000
June 1, 1973	4.60%	June 1, 1984/85	8,330,000	4,165,000	---

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
June 1, 1973	4.75%	June 1, 1986	$ 4,165,000	$ 4,165,000	$ 4,165,000
June 1, 1973	4.80%	June 1, 1987/88	8,330,000	8,330,000	8,330,000
June 1, 1973	4.90%	June 1, 1989/90	8,330,000	8,330,000	8,330,000
June 1, 1973	5.00%	June 1, 1991/93	12,495,000	12,495,000	12,495,000
December 1, 1973	4.50%	December 1, 1980/84	3,890,000	1,945,000	---
December 1, 1973	4.60%	December 1, 1985	1,945,000	1,945,000	1,945,000
December 1, 1973	4.70%	December 1, 1986	1,945,000	1,945,000	1,945,000
December 1, 1973	4.80%	December 1, 1987	1,945,000	1,945,000	1,945,000
December 1, 1973	4.90%	December 1, 1988	1,945,000	1,945,000	1,945,000
December 1, 1973	5.00%	December 1, 1989/93	9,725,000	9,725,000	9,725,000
April 1, 1974	5.50%	April 1, 1984	4,165,000	---	---
April 1, 1974	6.00%	April 1, 1985	4,165,000	4,165,000	---
April 1, 1974	5.70%	April 1, 1986	4,165,000	4,165,000	4,165,000
April 1, 1974	5.50%	April 1, 1989	12,495,000	12,495,000	12,495,000
April 1, 1974	5.60%	April 1, 1990/91	8,330,000	8,330,000	8,330,000
April 1, 1974	5.70%	April 1, 1992	4,165,000	4,165,000	4,165,000
April 1, 1974	5.75%	April 1, 1993	4,165,000	4,165,000	4,165,000
April 1, 1974	5.00%	April 1, 1994	4,165,000	4,165,000	4,165,000
March 1, 1975	6.75%	March 1, 1978/84	4,165,000	---	---
March 1, 1975	6.70%	March 1, 1985	4,165,000	4,165,000	---
March 1, 1975	6.00%	March 1, 1986	4,165,000	4,165,000	4,165,000
March 1, 1975	6.10%	March 1, 1987	4,165,000	4,165,000	4,165,000
March 1, 1975	6.20%	March 1, 1988	4,165,000	4,165,000	4,165,000
March 1, 1975	6.30%	March 1, 1989	4,165,000	4,165,000	4,165,000
March 1, 1975	6.40%	March 1, 1990	4,165,000	4,165,000	4,165,000
March 1, 1975	6.50%	March 1, 1991/93	12,495,000	12,495,000	12,495,000
March 1, 1975	5.75%	March 1, 1994/95	8,330,000	8,330,000	8,330,000
September 1, 1975	7.00%	September 1, 1978/83	4,170,000	---	---
September 1, 1975	6.50%	September 1, 1984	4,165,000	4,165,000	---
September 1, 1975	6.00%	September 1, 1985	4,165,000	4,165,000	4,165,000
September 1, 1975	6.10%	September 1, 1986	4,165,000	4,165,000	4,165,000
September 1, 1975	6.20%	September 1, 1987	4,165,000	4,165,000	4,165,000
September 1, 1975	6.30%	September 1, 1988	4,165,000	4,165,000	4,165,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
September 1, 1975	6.40%	September 1, 1989	$ 4,165,000	$ 4,165,000	$ 4,165,000
September 1, 1975	6.50%	September 1, 1990	4,165,000	4,165,000	4,165,000
September 1, 1975	6.60%	September 1, 1991	4,165,000	4,165,000	4,165,000
September 1, 1975	6.70%	September 1, 1992	4,165,000	4,165,000	4,165,000
September 1, 1975	6.80%	September 1, 1993	4,165,000	4,165,000	4,165,000
September 1, 1975	6.00%	September 1, 1994/95	8,330,000	8,330,000	8,330,000
November 1, 1975	6.50%	November 1, 1980/85	8,340,000	5,560,000	2,780,000
November 1, 1975	6.25%	November 1, 1986	2,780,000	2,780,000	2,780,000
November 1, 1975	6.00%	November 1, 1987	2,780,000	2,780,000	2,780,000
November 1, 1975	6.10%	November 1, 1988	2,775,000	2,775,000	2,775,000
November 1, 1975	6.30%	November 1, 1989	2,775,000	2,775,000	2,775,000
November 1, 1975	6.40%	November 1, 1990	2,775,000	2,775,000	2,775,000
November 1, 1975	6.50%	November 1, 1991/93	8,325,000	8,325,000	8,325,000
November 1, 1975	5.50%	November 1, 1994/95	5,550,000	5,550,000	5,550,000
March 1, 1976	6.50%	March 1, 1979/86	12,500,000	8,330,000	4,165,000
March 1, 1976	6.00%	March 1, 1987	4,165,000	4,165,000	4,165,000
March 1, 1976	5.90%	March 1, 1988	4,165,000	4,165,000	4,165,000
March 1, 1976	6.00%	March 1, 1989	4,165,000	4,165,000	4,165,000
March 1, 1976	6.10%	March 1, 1990	4,165,000	4,165,000	4,165,000
March 1, 1976	6.20%	March 1, 1991	4,165,000	4,165,000	4,165,000
March 1, 1976	6.25%	March 1, 1992	4,165,000	4,165,000	4,165,000
March 1, 1976	6.00%	March 1, 1993/94	8,330,000	8,330,000	8,330,000
March 1, 1976	5.50%	March 1, 1995/96	8,330,000	8,330,000	8,330,000
June 1, 1976	6.50%	June 1, 1979/84	4,170,000	---	---
June 1, 1976	6.10%	June 1, 1985	4,165,000	4,165,000	---
June 1, 1976	5.50%	June 1, 1986	4,165,000	4,165,000	4,165,000
June 1, 1976	5.60%	June 1, 1987	4,165,000	4,165,000	4,165,000
June 1, 1976	5.75%	June 1, 1988	4,165,000	4,165,000	4,165,000
June 1, 1976	5.80%	June 1, 1989	4,165,000	4,165,000	4,165,000
June 1, 1976	6.00%	June 1, 1990/91	8,330,000	8,330,000	8,330,000
June 1, 1976	6.20%	June 1, 1992/93	8,330,000	8,330,000	8,330,000
June 1, 1976	6.00%	June 1, 1994	4,165,000	4,165,000	4,165,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
June 1, 1976	5.50%	June 1, 1995/96	$ 8,330,000	$ 8,330,000	$ 8,330,000
September 1, 1976	7.00%	September 1, 1977/87	1,625,000	1,300,000	955,000
September 1, 1976	6.50%	March 1, 1988/September 1, 1988	425,000	425,000	425,000
September 1, 1976	6.00%	March 1, 1989/September 1, 1998	6,115,000	6,115,000	6,115,000
September 1, 1976	6.10%	March 1, 1999/September 1, 1999	850,000	850,000	850,000
September 1, 1976	6.20%	March 1, 2000/September 1, 2003	3,990,000	3,990,000	3,990,000
September 1, 1976	6.25%	March 1, 2004/September 1, 2005	2,405,000	2,405,000	2,405,000
September 1, 1976	6.30%	March 1, 2006/September 1, 2007	2,730,000	2,730,000	2,730,000
September 1, 1976	6.00%	March 1, 2008/September 1, 2011	6,605,000	6,605,000	6,605,000
December 1, 1976	5.50%	December 1, 1979/84	8,340,000	4,170,000	---
December 1, 1976	4.70%	December 1, 1985	4,165,000	4,165,000	4,165,000
December 1, 1976	4.60%	December 1, 1986	4,165,000	4,165,000	4,165,000
December 1, 1976	4.70%	December 1, 1987	4,165,000	4,165,000	4,165,000
December 1, 1976	4.80%	December 1, 1988	4,165,000	4,165,000	4,165,000
December 1, 1976	4.90%	December 1, 1989	4,165,000	4,165,000	4,165,000
December 1, 1976	5.00%	December 1, 1990/92	12,495,000	12,495,000	12,495,000
December 1, 1976	5.20%	December 1, 1993/94	8,330,000	8,330,000	8,330,000
December 1, 1976	4.50%	December 1, 1995/96	8,330,000	8,330,000	8,330,000
April 1, 1977	5.50%	April 1, 1980/86	12,505,000	8,335,000	4,165,000
April 1, 1977	4.75%	April 1, 1987	4,165,000	4,165,000	4,165,000
April 1, 1977	4.80%	April 1, 1988	4,165,000	4,165,000	4,165,000
April 1, 1977	4.90%	April 1, 1989	4,165,000	4,165,000	4,165,000
April 1, 1977	5.00%	April 1, 1990	4,165,000	4,165,000	4,165,000
April 1, 1977	5.10%	April 1, 1991	4,165,000	4,165,000	4,165,000
April 1, 1977	5.20%	April 1, 1992	4,165,000	4,165,000	4,165,000
April 1, 1977	5.25%	April 1, 1993/94	8,330,000	8,330,000	8,330,000
April 1, 1977	5.50%	April 1, 1995	4,165,000	4,165,000	4,165,000
April 1, 1977	5.00%	April 1, 1996	4,165,000	4,165,000	4,165,000
April 1, 1977	4.50%	April 1, 1997	4,165,000	4,165,000	4,165,000
August 1, 1977	5.25%	August 1, 1980/85	12,510,000	8,340,000	4,170,000
August 1, 1977	5.20%	August 1, 1986	4,165,000	4,165,000	4,165,000
August 1, 1977	4.60%	August 1, 1987	4,165,000	4,165,000	4,165,000
August 1, 1977	4.70%	August 1, 1988	4,165,000	4,165,000	4,165,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
August 1, 1977	4.80%	August 1, 1989	$ 4,165,000	$ 4,165,000	$ 4,165,000
August 1, 1977	4.90%	August 1, 1990	4,165,000	4,165,000	4,165,000
August 1, 1977	5.00%	August 1, 1991/92	8,330,000	8,330,000	8,330,000
August 1, 1977	5.10%	August 1, 1993/94	8,330,000	8,330,000	8,330,000
August 1, 1977	5.20%	August 1, 1995/96	8,330,000	8,330,000	8,330,000
August 1, 1977	4.25%	August 1, 1997	4,165,000	4,165,000	4,165,000
February 1, 1978	5.10%	February 1, 1984	4,170,000	---	---
February 1, 1978	5.00%	February 1, 1985/89	20,835,000	20,835,000	16,665,000
February 1, 1978	5.10%	February 1, 1990/91	8,330,000	8,330,000	8,330,000
February 1, 1978	5.20%	February 1, 1992	4,165,000	4,165,000	4,165,000
February 1, 1978	5.25%	February 1, 1993/98	24,990,000	24,990,000	24,990,000
June 1, 1978	6.00%	June 1, 1981/85	8,340,000	4,170,000	---
June 1, 1978	5.70%	June 1, 1986	4,170,000	4,170,000	4,170,000
June 1, 1978	5.10%	June 1, 1987/88	8,330,000	8,330,000	8,330,000
June 1, 1978	5.20%	June 1, 1989	4,165,000	4,165,000	4,165,000
June 1, 1978	5.25%	June 1, 1990	4,165,000	4,165,000	4,165,000
June 1, 1978	5.30%	June 1, 1991	4,165,000	4,165,000	4,165,000
June 1, 1978	5.40%	June 1, 1992	4,165,000	4,165,000	4,165,000
June 1, 1978	5.50%	June 1, 1993/94	8,330,000	8,330,000	8,330,000
June 1, 1978	5.60%	June 1, 1995/97	12,495,000	12,495,000	12,495,000
June 1, 1978	5.00%	June 1, 1998	4,165,000	4,165,000	4,165,000
February 1, 1979	5.90%	February 1, 1983/94	45,835,000	41,665,000	37,495,000
February 1, 1979	6.00%	February 1, 1995/99	20,825,000	20,825,000	20,825,000
July 1, 1979	5.50%	July 1, 1982/83	4,170,000	---	---
July 1, 1979	5.60%	July 1, 1984/88	20,845,000	20,845,000	16,675,000
July 1, 1979	5.70%	July 1, 1989/94	24,990,000	24,990,000	24,990,000
July 1, 1979	5.75%	July 1, 1995/97	12,495,000	12,495,000	12,495,000
July 1, 1979	5.90%	July 1, 1998/99	8,330,000	8,330,000	8,330,000
June 1, 1980	6.30%	June 1, 1984/91	33,345,000	29,175,000	25,005,000
June 1, 1980	6.40%	June 1, 1992/93	8,330,000	8,330,000	8,330,000
June 1, 1980	6.50%	June 1, 1994	4,165,000	4,165,000	4,165,000
June 1, 1980	6.60%	June 1, 1995	4,165,000	4,165,000	4,165,000
June 1, 1980	6.75%	June 1, 1996/97	8,330,000	8,330,000	8,330,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
June 1, 1980	7.00%	June 1, 1998	$ 4,165,000	$ 4,165,000	$ 4,165,000
June 1, 1980	7.10%	June 1, 1999/2000	8,330,000	8,330,000	8,330,000
August 1, 1981	11.50%	August 1, 1984/96	54,175,000	54,175,000	50,005,000
August 1, 1981	11.60%	August 1, 1997	4,165,000	4,165,000	4,165,000
August 1, 1981	11.70%	August 1, 1998	4,165,000	4,165,000	4,165,000
August 1, 1981	11.80%	August 1, 1999	4,165,000	4,165,000	4,165,000
August 1, 1981	12.00%	August 1, 2000/2001	8,330,000	8,330,000	8,330,000
November 1, 1981	12.00%	November 1, 1984/89	25,020,000	25,020,000	---
November 1, 1981	12.00%	November 1, 1990/2001	49,980,000	49,980,000	---
June 1, 1982	11.90%	June 1, 1985/90	25,020,000	25,020,000	---
June 1, 1982	11.90%	June 1, 1991	4,165,000	4,165,000	---
June 1, 1982	12.00%	June 1, 1992/94	12,495,000	12,495,000	---
June 1, 1982	12.10%	June 1, 1995	4,165,000	4,165,000	---
June 1, 1982	12.30%	June 1, 1996	4,165,000	4,165,000	---
June 1, 1982	12.40%	June 1, 1997	4,165,000	4,165,000	---
June 1, 1982	12.50%	June 1, 1998/99	8,330,000	8,330,000	---
June 1, 1982	12.60%	June 1, 2000/2002	12,495,000	12,495,000	---
October 1, 1982	9.10%	October 1, 1985/92	33,350,000	33,350,000	33,350,000
October 1, 1982	9.30%	October 1, 1993	4,165,000	4,165,000	4,165,000
October 1, 1982	9.40%	October 1, 1994	4,165,000	4,165,000	4,165,000
October 1, 1982	9.60%	October 1, 1995	4,165,000	4,165,000	4,165,000
October 1, 1982	9.75%	October 1, 1996	4,165,000	4,165,000	4,165,000
October 1, 1982	9.80%	October 1, 1997	4,165,000	4,165,000	4,165,000
October 1, 1982	9.90%	October 1, 1998/2002	20,825,000	20,825,000	20,825,000
March 1, 1983	7.75%	March 1, 1986/88	12,510,000	12,510,000	12,510,000
March 1, 1983	8.00%	March 1, 1989/93	20,840,000	20,840,000	20,840,000
March 1, 1983	8.10%	March 1, 1994	4,165,000	4,165,000	4,165,000
March 1, 1983	8.30%	March 1, 1995	4,165,000	4,165,000	4,165,000
March 1, 1983	8.40%	March 1, 1996	4,165,000	4,165,000	4,165,000
March 1, 1983	8.60%	March 1, 1997	4,165,000	4,165,000	4,165,000
March 1, 1983	8.70%	March 1, 1998	4,165,000	4,165,000	4,165,000
March 1, 1983	8.75%	March 1, 1999/2003	20,825,000	20,825,000	20,825,000
June 1, 1983	7.00%	June 1, 1986	4,170,000	4,170,000	4,170,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
June 1, 1983	8.80%	June 1, 1987/95	$ 37,510,000	$ 37,510,000	$ 37,510,000
June 1, 1983	9.00%	June 1, 1996	4,165,000	4,165,000	4,165,000
June 1, 1983	9.10%	June 1, 1997/98	8,330,000	8,330,000	8,330,000
June 1, 1983	9.20%	June 1, 1999/2000	8,330,000	8,330,000	8,330,000
June 1, 1983	9.25%	June 1, 2001/2003	12,495,000	12,495,000	12,495,000
October 1, 1983	8.40%	October 1, 1986/1991	---	25,020,000	25,020,000
October 1, 1983	8.40%	October 1, 1992/1993	---	8,330,000	8,330,000
October 1, 1983	8.60%	October 1, 1994	---	4,165,000	4,165,000
October 1, 1983	8.70%	October 1, 1995	---	4,165,000	4,165,000
October 1, 1983	8.80%	October 1, 1996	---	4,165,000	4,165,000
October 1, 1983	8.90%	October 1, 1997	---	4,165,000	4,165,000
October 1, 1983	9.00%	October 1, 1998	---	4,165,000	4,165,000
October 1, 1983	9.10%	October 1, 1999	---	4,165,000	4,165,000
October 1, 1983	9.20%	October 1, 2000	---	4,165,000	4,165,000
October 1, 1983	9.25%	October 1, 2001/2003	---	12,495,000	12,495,000
April 1, 1984	9.10%	April 1, 1987/1992	---	25,020,000	25,020,000
April 1, 1984	9.10%	April 1, 1993/1995	---	12,495,000	12,495,000
April 1, 1984	9.30%	April 1, 1996	---	4,165,000	4,165,000
April 1, 1984	9.50%	April 1, 1997	---	4,165,000	4,165,000
April 1, 1984	9.70%	April 1, 1998	---	4,165,000	4,165,000
April 1, 1984	9.75%	April 1, 1999/2004	---	24,990,000	24,990,000
October 1, 1984	9.25%	April 1, 1988/1991	---	---	16,680,000
October 1, 1984	9.40%	April 1, 1992/1996	---	---	20,835,000
October 1, 1984	9.60%	April 1, 1997	---	---	4,165,000
October 1, 1984	9.75%	April 1, 1998	---	---	4,165,000
October 1, 1984	9.90%	April 1, 1999	---	---	4,165,000
October 1, 1984	10.00%	April 1, 2000/2005	---	---	24,990,000
March 1, 1985	8.40%	March 1, 1986/1993	---	---	74,095,000
March 1, 1985	8.50%	March 1, 1994	---	---	9,260,000
March 1, 1985	8.70%	March 1, 1995	---	---	9,260,000
March 1, 1985	8.80%	March 1, 1996	---	---	9,260,000
March 1, 1985	9.00%	March 1, 1997	---	---	9,260,000
March 1, 1985	9.10%	March 1, 1998	---	---	9,260,000

STATE OF HAWAII

SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Maturity Date	Amount Outstanding 6/30/83	6/30/84	6/30/85
March 1, 1985	9.30%	March 1, 1999	$ ---	$ ---	$ 9,260,000
March 1, 1985	9.375%	March 1, 2000/2002	---	---	27,780,000
June 1, 1985	8.00%	June 1, 1988/2005	---	---	75,000,000
Halawa Jail Bonds (Transferred from City and County of Honolulu):					
Various	Various	Various	115,534	99,840	85,620
TOTAL BONDED INDEBTEDNESS - GENERAL OBLIGATION BONDS			$1,590,350,534	$1,641,694,840	$1,697,635,620

SCHEDULE OF MATURED GENERAL OBLIGATION BONDS OUTSTANDING
(In Thousands)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Matured Bonds Outstanding 6/30/82	Fiscal Year Ended June 30, 1983		Matured Bonds Outstanding 6/30/83	Fiscal Year Ended June 30, 1984		Matured Bonds Outstanding 6/30/84	Fiscal Year Ended June 30, 1985		Matured Bonds Outstanding 6/30/85
			Maturities	Redemptions		Maturities	Redemptions		Maturities	Redemptions	
May 1, 1956	3.25%	$ 1	$ -	$ -	$ 1	$ -	$ -	$ 1	$ -	$ -	$ 1
May 15, 1957	3.75%	5	-	-	5	-	-	5	-	-	5
May 15, 1963	3.50%	55	555	495	115	-	115	-	-	-	-
November 1, 1963	3.40%	215	1,760	1,920	55	1,760	1,720	95	1,760	1,575	280
May 15, 1964	3.00%	105	835	940	-	835	825	10	-	10	-
October 15, 1964	3.10%	-	835	835	-	835	835	-	835	835	-
May 1, 1965	3.10%	1,000	1,000	1,025	975	1,000	1,975	-	1,000	1,000	-
December 1, 1965	4.25%	-	780	780	-	780	745	35	780	815	-
June 1, 1966	4.75%	15	555	75	495	555	1,040	10	555	10	555
May 15, 1967	3.80%	65	1,110	1,140	35	1,110	1,145	-	1,110	1,110	-
September 1, 1967	4.90%	-	450	450	-	450	450	-	450	450	-
November 1, 1967	4.80%	-	1,110	1,110	-	1,110	1,110	-	1,110	1,110	-
March 1, 1968	4.15%	1,665	1,665	1,665	1,665	1,665	3,305	25	1,665	25	1,665
September 1, 1968	4.00%	-	2,110	2,110	-	2,110	2,110	-	2,110	2,110	-
March 1, 1969	5.75%	35	1,665	1,670	30	1,565	1,345	350	1,665	110	1,905
May 1, 1969	5.75%	-	995	995	-	1,050	1,050	-	545	545	-
September 1, 1969	3.00%	-	215	215	-	215	215	-	215	215	-
April 1, 1970	Various	20	1,665	1,675	10	1,665	1,600	75	1,665	1,705	35
October 1, 1970	6.50%	-	3,055	3,055	-	3,055	3,045	10	3,055	3,065	-
March 1, 1971	5.00%	-	3,055	3,030	25	3,055	3,015	65	3,055	2,675	445
September 1, 1971	Various	-	3,055	3,055	-	3,055	3,055	-	3,055	3,055	-
February 1, 1972	Various	-	3,055	3,055	-	3,055	3,020	35	3,055	3,070	20
August 1, 1972	Various	-	3,140	3,140	-	3,145	3,145	-	3,150	3,150	-
February 1, 1973	Various	-	3,055	2,445	610	3,055	3,665	-	3,055	3,055	-
June 1, 1973	Various	645	4,165	780	4,030	4,165	7,960	235	4,165	4,315	85
December 1, 1973	Various	-	1,945	1,945	-	1,945	1,945	-	1,945	1,845	100
April 1, 1974	Various	-	4,165	3,685	480	4,165	3,655	990	4,165	2,255	2,900

STATE OF HAWAII

SCHEDULE OF MATURED GENERAL OBLIGATION BONDS OUTSTANDING (Continued)
(In Thousands)
LAST THREE FISCAL YEARS

Date of Issue	Interest Rate	Matured Bonds Outstanding 6/30/82	Fiscal Year Ended June 30, 1983		Matured Bonds Outstanding 6/30/83	Fiscal Year Ended June 30, 1984		Matured Bonds Outstanding 6/30/84	Fiscal Year Ended June 30, 1985		Matured Bonds Outstanding 6/30/85
			Maturities	Redemptions		Maturities	Redemptions		Maturities	Redemptions	
March 1, 1975	Various	$ -	$ 4,170	$ 3,720	$ 450	$ 4,165	$ 4,615	$ -	$ 4,165	$ 4,165	$ -
September 1, 1975	Various	-	4,170	4,170	-	4,170	4,155	15	4,165	4,165	15
November 1, 1975	Various	-	2,780	2,780	-	2,780	2,780	-	2,780	2,750	30
March 1, 1976	Various	10	4,170	3,860	320	4,170	3,825	665	4,165	4,815	15
June 1, 1976	Various	700	4,170	700	4,170	4,170	7,875	465	4,165	4,190	440
September 1, 1976	Various	-	305	305	-	325	315	10	345	355	-
December 1, 1976	Various	-	4,170	4,170	-	4,170	4,170	-	4,170	4,135	35
April 1, 1977	Various	-	4,170	3,905	265	4,170	4,435	-	4,170	400	3,770
August 1, 1977	Various	-	4,170	4,170	-	4,170	4,170	-	4,170	4,170	-
February 1, 1978	Various	-	4,170	3,625	545	4,170	4,690	25	4,170	4,195	-
June 1, 1978	Various	300	4,170	300	4,170	4,170	8,020	320	4,170	4,390	100
February 1, 1979	Various	-	4,170	4,170	-	4,170	4,070	100	4,170	4,265	5
July 1, 1979	Various	-	4,170	4,170	-	4,170	4,170	-	4,170	4,170	-
June 1, 1980	Various	-	4,170	100	4,070	4,170	5,070	3,170	4,170	3,170	4,170
August 1, 1981	Various	-	-	-	-	-	-	-	4,170	4,070	100
November 1, 1981	Various	-	-	-	-	-	-	-	4,170	4,170	-
Halawa Jail Bonds: Various	Various	-	16	16	-	16	16	-	14	14	-
		$4,836	$99,136	$81,451	$22,521	$98,656	$114,466	$6,711	$105,664	$95,699	$16,676

STATE OF HAWAII

SCHEDULE M-8

REVENUE BONDS
SCHEDULE OF CHANGES IN LONG-TERM BONDED INDEBTEDNESS
LAST THREE FISCAL YEARS

BONDED INDEBTEDNESS, REVENUE BONDS, JUNE 30, 1982		$527,629,000
Less:	Revenue Bonds Matured During the Fiscal Year Ended June 30, 1983	12,676,000
	Hawaii Housing Authority, Series A of 1982, Early Redemption	35,000,000
	Airports System Revenue Bonds, Series of 1981, refunded by Airports System Revenue Bonds, Refunding Series of 1983	75,000,000
	Harbors Capital Improvement Revenue Bonds, Series of 1981, refunded by Harbors Capital Improvement Revenue Bonds, Refunding Series of 1983	18,000,000
		386,953,000
Add:	Harbors Capital Improvement Revenue Bonds, Refunding Series of 1983	23,385,000
	Airports System Revenue Bonds, Refunding Series of 1983	97,050,000
	Hawaii Housing Authority, Series A of 1982	60,000,000
	Hawaii Housing Authority, Series A of 1983	50,000,000
	Airport Special Facility Revenue Bonds	2,200,000
	Harbors Special Facility Revenue Bonds	16,750,000
BONDED INDEBTEDNESS, REVENUE BONDS, JUNE 30, 1983		636,338,000
Less:	Revenue Bonds Matured During the Fiscal Year Ended June 30, 1984	23,755,000
		612,583,000
Add:	University of Hawaii Revenue Bonds	3,360,000
	Airports System Revenue Bonds, Series of 1983	50,000,000
	Hawaii Housing Authority Low Income Housing Bonds	35,470,000
	Hawaii Housing Authority, Series B of 1983	30,000,000
	Hawaii Housing Authority, Series C of 1983	61,000,000
BONDED INDEBTEDNESS, REVENUE BONDS, JUNE 30, 1984		792,413,000
Less:	Revenue Bonds Matured During the Fiscal Year Ended June 30, 1985	27,432,000
		764,981,000
Add:	Airports System Revenue Bonds, Series of 1984	65,000,000
	Hawaii Housing Authority, Series A of 1984	100,000,000
BONDED INDEBTEDNESS, REVENUE BONDS, JUNE 30, 1985		$929,981,000

STATE OF HAWAII

SCHEDULE M-9

SCHEDULE OF REVENUE BONDS OUTSTANDING
LAST THREE FISCAL YEARS

Purpose	Interest Rate	Maturity Date	6/30/83	6/30/84	6/30/85
Harbor, Issue of 1960	4.30%	October 1, 1973/84	$ 1,640,000	$ 1,000,000	$ ---
Harbor, Issue of 1965	3.70%	October 1, 1985	205,000	125,000	---
Harbor, Issue of 1966	4.125%	November 1, 1995	1,080,000	1,080,000	---
Harbor, Issue of 1967	5.20%	July 1, 1973/97	17,215,000	17,000,000	16,765,000
Harbor, Issue of 1978	Various	January 1, 1979/2008	19,130,000	18,800,000	18,800,000
Harbors Capital Improvement Revenue Bonds, Series of 1983	Various	July 1, 1984/2008	23,385,000	23,300,000	23,300,000
Harbors Special Facility Revenue Bonds	Various	September 1, 1983/2013	16,750,000	16,750,000	16,750,000
University of Hawaii	3.50%	October 1, 1973/2001	292,000	281,000	270,000
University of Hawaii	3.00%	October 1, 1973/99	184,000	172,000	160,000
University of Hawaii	2.875%	April 1, 1974/2000	372,000	355,000	337,000
University of Hawaii	3.00%	October 1, 1974/2006	2,445,000	2,375,000	2,300,000
University of Hawaii	9.40%	October 1, 1984/1998	---	3,360,000	3,250,000
Accounting and General Services (Multi-Deck Parking)	3.00%	November 1, 1973/83	70,000	---	---
Airports System Revenue Bonds, Series of 1969	Various	July 1, 1972/94	25,615,000	23,905,000	22,090,000
Airports System Revenue Bonds, Second Series of 1969	Various	July 1, 1972/94	29,925,000	28,025,000	25,995,000
Airports System Revenue Bonds, Series of 1970	Various	July 1, 1973/95	13,885,000	13,130,000	12,320,000
Airports System Revenue Bonds, Second Series of 1970	Various	July 1, 1973/95	18,030,000	17,065,000	16,025,000
Airports System Revenue Bonds, Series of 1971	Various	July 1, 1976/96	24,210,000	23,135,000	21,985,000
Airports System Revenue Bonds, Second Series of 1971	Various	July 1, 1976/96	16,055,000	15,330,000	14,555,000
Airports System Revenue Bonds, Series of 1972	Various	July 1, 1977/97	20,735,000	19,860,000	18,930,000
Airports System Revenue Bonds, Series of 1974	Various	July 1, 1979/99	18,220,000	17,680,000	17,100,000
Airports System Revenue Bonds, Series of 1975	Various	July 1, 1979/2000	18,340,000	17,840,000	17,300,000
Airports System Revenue Bonds, Series of 1977	Various	July 1, 1978/2003	18,460,000	18,010,000	17,535,000
Airports Special Facility Revenue Bonds	Various	April 1, 1978/2005	10,420,000	10,235,000	10,030,000

STATE OF HAWAII

SCHEDULE OF REVENUE BONDS OUTSTANDING (Continued)
LAST THREE FISCAL YEARS

Purpose	Interest Rate	Maturity Date	6/30/83	6/30/84	6/30/85
Airports System Revenue Bonds, Refunding Series of 1983	Various	July 1, 1984/2008	$ 97,050,000	$ 97,050,000	$ 96,635,000
Airports System Revenue Bonds, Series of 1983	Various	July 1, 1985/2013	---	50,000,000	50,000,000
Airports System Revenue Bonds, Series of 1984	Various	July 1, 1985/2004	---	---	65,000,000
Hawaii Housing Authority, Low Income Housing Bonds	Various	August 1, 1991/2009	---	35,470,000	34,229,000
Hawaii Housing Authority, Series A of 1980	Various	July 1, 1980/2010	98,500,000	95,815,000	92,365,000
Hawaii Housing Authority, Series B of 1980	Various	December 31, 1980/2010	49,325,000	48,345,000	46,800,000
Hawaii Housing Authority, Series A of 1981	Various	July 1, 1983/1998	19,800,000	19,675,000	12,505,000
Hawaii Housing Authority, Series A of 1982	Various	July 1, 1983/2001	25,000,000	16,245,000	15,680,000
Hawaii Housing Authority, Series A of 1983	Various	July 1, 1984/2013	50,000,000	50,000,000	49,970,000
Hawaii Housing Authority, Series B of 1983	Various	July 1, 1985/2014	---	30,000,000	30,000,000
Hawaii Housing Authority Series C of 1983	Various	July 1, 1985/2013	---	61,000,000	61,000,000
Hawaii Housing Authority, Series A of 1984	Various	July 1, 1985/2016	---	---	100,000,000
TOTAL - BONDED INDEBTEDNESS, REVENUE BONDS			$636,338,000	$792,413,000	$929,981,000

STATE OF HAWAII

SCHEDULE M-10

SCHEDULE OF MATURED REVENUE BONDS OUTSTANDING
LAST THREE FISCAL YEARS

	Matured Bonds Outstanding Beginning of Year	Maturities	Redemptions	Matured Bonds Outstanding End of Year
Fiscal Year Ended June 30, 1983:				
Harbors	$346,659	$ 1,205,000	$ 1,155,537	$ 396,122
Highways	10,842	---	---	10,842
Airports	13,483	8,875,000	8,875,000	13,483
Airports - Special Facility	75,000	175,000	95,000	155,000
Parking	---	67,000	67,000	---
University Projects	---	109,000	109,000	---
Hawaii Housing Authority	---	2,245,000	2,245,000	---
TOTAL	$445,984	$12,676,000	$12,546,537	$ 575,447
Fiscal Year Ended June 30, 1984:				
Harbors	$396,122	$ 1,350,000	$ 1,030,809	$ 715,313
Highways	10,842	---	---	10,842
Airports	13,483	9,495,000	9,445,000	63,483
Airports - Special Facility	155,000	185,000	205,000	135,000
Parking	---	70,000	70,000	---
University Projects	---	110,000	110,000	---
Hawaii Housing Authority	---	12,545,000	12,545,000	---
TOTAL	$575,447	$23,755,000	$23,405,809	$ 924,638
Fiscal Year Ended June 30, 1985:				
Harbors	$715,313	$ 2,440,000	$ 1,809,633	$1,345,680
Highways	10,842	---	---	10,842
Airports	63,483	10,560,000	10,608,550	14,933
Airports - Special Facility	135,000	205,000	325,000	15,000
University Projects	---	226,000	226,000	---
Hawaii Housing Authority	---	14,001,000	14,001,000	---
TOTAL	$924,638	$27,432,000	$26,970,183	$1,386,455

STATE OF HAWAII

CERTIFICATE OF LEGAL DEBT LIMIT
JUNE 30, 1985

Section 13, Article VII of the State Constitution, as amended by the Constitutional Convention of 1978, states that General Obligation Bonds may be issued by the State, provided that at the time the bonds are issued, the issuance will not cause the highest total amount of principal and interest payable in the current or any future year on the issuance and on all outstanding General Obligation Bonds to exceed eighteen and one-half percent of the average of the General Fund revenues of the State in the three fiscal years immediately preceding the issuance. The General Obligation Bonds subject to this limitation exclude reimbursable and certain other specified bonds.

To the right is the Director of Finance's Certification dated November 20, 1985, reflecting the calculations evidencing compliance with the constitutional debt limit for the bond issue of November 1, 1985, for $75,000,000.

CERTIFICATE AS TO DEBT LIMIT

I, the undersigned, DENNIS K. GODA, being the duly appointed and acting Deputy Director of Finance of the State of Hawaii, do hereby certify with respect to $75,000,000 General Obligation Bonds of 1985, Series BD of the State of Hawaii, (the "Series BD Bonds"), as follows: (i) the general fund revenues of the State of Hawaii in the fiscal year ended June 30, 1983 were $1,218,675,016, the general fund revenues of the State of Hawaii in the fiscal year ended June 30, 1984 were $1,320,280,833, and the general fund revenues of the State of Hawaii as of June 30, 1985 were not less than $866,449,556, and therefore the average of general fund revenues of the State of Hawaii in the fiscal years ended June 30, 1983, 1984, and 1985 will not be less than $1,135,135,135; (ii) eighteen and one-half percent (18-1/2%) of such average is $210,000,000; (iii) the exhibit on the reverse hereof truly and correctly sets forth (A) the amount of principal and interest payable in the current and each future fiscal year to and including the fiscal year ending June 30, 2012 on all general obligation bonds of the State of Hawaii outstanding as of July 1, 1985 (other than the Series BD Bonds), (B) the amount of principal and interest payable in the current and each future fiscal year to and including the fiscal year ending June 30, 2006 on the Series BD Bonds, (C) the amount of principal and interest payable in the current and each future fiscal year to and including the fiscal year ending June 30, 2012 on general obligation bonds (other than the Series BD Bonds, except for interest due on the Series BD Bonds in the current fiscal year which is excluded) which may be excluded pursuant to Section 13, Article VII, of the 1978 Constitution, and (D) the total amount of principal and interest pro forma payable in the current and each future fiscal year to and including the fiscal year ending June 30, 2012 on all outstanding general obligation bonds and the Series BD Bonds; (iv) as indicated by the exhibit on the reverse hereof, the greatest total amount of principal and interest payable in any fiscal year on all general obligation bonds of the State of Hawaii outstanding as of July 1, 1985 and on the Series BD Bonds occur in the fiscal year ending June 30, 1987 in the amount of $209,692,560; (v) such amount will not exceed eighteen and one-half percent (18-1/2%) of the average general fund revenues of the State in the fiscal years ended June 30, 1983, 1984 and 1985; (vi) as of the date hereof, the State of Hawaii has not incurred any general obligation indebtedness as guarantor of a contingent liability and has not issued any general obligation bonds since July 1, 1985 except for the Series BD Bonds being delivered to the purchasers thereof on the date hereof.

Done and delivered at New York, New York this 20th day of November, 1985.

DENNIS K. GODA
Deputy Director of Finance
of the State of Hawaii

Exhibit

Fiscal year ending June 30	Total amount of principal and interest payable on all general obligation bonds outstanding as of July 1, 1985	Total amount of principal and interest payable on Series BD Bonds	Principal and interest excludable under Sec. 13, Art. VII Hawaii Constitution	Total amount of principal and interest pro forma payable on all outstanding general obligation bonds and the Series BD Bonds *
1986	224,925,431	3,033,275	227,958,706	-0-
1987	238,251,958	6,066,550	34,625,947	209,692,560
1988	237,433,483	6,066,550	34,078,467	209,421,565
1989	224,795,990	10,076,005	31,261,422	203,610,573
1990	211,793,511	9,754,915	28,923,876	192,624,550
1991	201,728,198	9,433,825	27,507,792	183,654,231
1992	187,593,599	9,112,735	25,696,065	171,010,268
1993	173,695,903	8,791,645	23,424,399	159,063,149
1994	155,930,770	8,470,555	20,914,985	143,486,340
1995	142,855,225	8,144,657	19,725,259	131,274,623
1996	131,997,051	7,821,870	18,021,484	121,797,437
1997	110,458,495	7,492,835	13,462,032	104,489,298
1998	96,584,609	7,155,470	12,242,778	91,497,301
1999	78,907,213	6,811,857	11,242,462	74,476,608
2000	70,025,608	6,464,080	9,736,367	66,753,320
2001	57,344,098	6,112,137	7,784,177	55,672,058
2002	53,401,629	5,758,112	7,379,341	51,780,400
2003	35,706,199	5,404,087	5,122,032	35,988,254
2004	20,722,576	5,050,062	3,802,750	21,969,888
2005	11,047,078	4,696,037	2,853,484	12,889,631
2006	2,183,278	4,342,012	2,153,024	4,372,266
2007	2,189,835		2,159,528	30,307
2008	2,195,123		2,164,774	30,349
2009	1,874,100		1,843,747	30,353
2010	1,879,900		1,849,453	30,447
2011	1,889,550		1,858,947	30,603
2012	947,600		932,253	15,347

* Pro Forma assume that no exclusions under Section 13 of Article VII of the Constitution will apply to the Series BD Bonds except interest payable during the current fiscal year. In fact a portion of the proceeds of the Series BD Bonds is expected to be applied to purposes which will permit exclusion under said Section 13.